



REPORT
ON
SURVEY OF LABOUR CONDITIONS
IN
MOTOR VEHICLE
MANUFACTURING AND
REPAIRING FACTORIES IN
INDIA



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MINISTRY OF LABOUR AND EMPLOYMENT
GOVERNMENT OF INDIA



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PREFACE

Industrial labour and its problems have been the subject of interest, though varying in degree and extent, ever since India entered the industrial field over a century ago. Today this interest has shifted from prevention of exploitation of labour to providing a fair deal and opportunities for a fuller life to labour. The growing realisation of this approach to problems of labour in India, in the context of present day planned economic development of the country, is provided a sound base by the surveys that reveal true conditions of labour.

The last detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee appointed by the Government of India in 1944. The years that followed witnessed far-reaching changes in the set-up of the country, its basic policies and national objectives. As a result, the long-term strategy for economic and industrial advance recognises the well-being of the working class as an essential factor in the overall stability and progress of the country. The adoption of this policy, in the changed circumstances of the country, has brought about a new awakening in the ranks of labour and afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to appraise their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan and its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries.* This report presents data regarding Motor Vehicle Manufacturing and Repairing Factories covered under the scheme during 1961-62.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example,

* The names of 46 industries selected for the Survey are given in the Preface (p. iii) of the Report on Survey of Labour Conditions in Silk Factories in India.

it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, seeks to fill the gap in the statistics of labour turnover and absenteeism in the factory industries and provides first-hand information on certain important aspects of labour management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purposes of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude, it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence or improper maintenance of records in many establishments. In many cases, the field staff had almost to build up the required statistics from various sources. This naturally imposed a heavy demand on the managements and the Bureau is deeply indebted to them for their whole-hearted co-operation. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Adviser of Factories for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the schedule and instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Survey Division, Ministry of Labour and Social Service, U.K., Economics and Research Branch, Department of Labour, Canada and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting this Survey and bringing out the reports on individual industries was ably borne by Shri B.N. Srivastava, Deputy Director, whose experience and application came into full play in this assignment. On various statistical problems arising out of the Survey, the requisite technical advice was provided by other officers at Headquarters. The present report was drafted by Dr. J. N. Mongia, who received valuable assistance from Shri P.D. Gupta, Investigator Grade I. Sarvashri R.K. Pant, O.P. Oberoi and B.P. Singla, Computers, assisted in computation of data. The field investigations were carried out by Sarvashri S.N.P. Yadav, Harjinder Singh, P. Venkataraman, S.L. Sahni, B. Raghavan, V.S. Rao, S. M. Shinh, R.D. Aggarwal, A.K. Mitra, K.C. Aggarwal, S.K. Rao, A.K. Anand, R.K. Kapoor, A. Chatterjee, A.S. Parmar and Prem Chand Aggarwal under the supervision of Sarvashri H.G. Gupta, K. Lakshminarayanan, Harbans Singh Harar, Kirpal Singh and N. K. Sharma. To these all my thanks are due.

The views expressed in this report are not those of the Ministry of Labour and Employment, Government of India.

K.C. SEAL

Director

LABOUR BUREAU, SIMLA.

Dated the 5th February, 1965.

INTRODUCTION

Motor vehicle manufacture is acknowledged as one of the key industries or the general development of a country. Inasmuch as the economic advancement of countries is measured, besides other criteria, in terms of their transport development, the importance of the motor vehicle industry can be hardly disputed. Naturally, all countries striving for industrial or economic expansion aspire to establish their own Motor Vehicle Industry. It is not, however, generally realised that important as this Industry is, it is not easy to develop it. A motor vehicle generally consists of about 4,500 parts made to the highest standards of tolerances and specifications evolved by scientists for industrial production. It uses 55 per cent. of the elements known to science. Leading manufacturers of the world seldom make more than 60 per cent. of the parts of a motor vehicle. The rest have to be procured from ancillary industries. It is for these reasons that only about 18 countries in the world have so far succeeded in putting on their markets, motor vehicles of indigenous manufacture. India has only recently gatecrashed into this exclusive club. It is still a novice, but aspiring soon to become an important member.

1.1. *Location and Growth of the Industry in India—*

Motor Vehicle Industry's successful establishment in our country has been greatly handicapped on account of its being a highly specialised one requiring, for its success, large capital investment and technical know-how which can only be imported at great expense from other advanced countries. The history of the growth of this Industry in India may be traced back to the date when the General Motors (India) Ltd., commenced, in 1928, the assembly of trucks and cars in their factory at Bombay, from components imported from the U.S.A. They were followed by the Ford Motor Co. of India Ltd. which started assembly of motor vehicles at Madras in 1930 and in Bombay and Calcutta in 1931. It was, however, only during the early 1940s that the Industry started taking rapid strides. In 1944, the Premier Automobiles Ltd., and the Hindustan Motors Ltd., came into existence with ambitious programmes aiming at manufacturing of complete automobiles in India. Assembly operations were started by these two concerns in 1947 and 1948, respectively. In 1950, the number of cars and commercial vehicles assembled during the year stood at 6,587.

With a view to discouraging assembly and promoting manufacture of vehicles in the country, the Tariff Commission recommended in March, 1952, that the country's demand for motor vehicles should be concentrated on the firms which had approved programmes of manufacture. The recommendation was accepted by the Government in May, 1953 and consequently firms which had no approved programmes for manufacturing vehicles had to close down by 1956 in order to create larger market for cars and trucks of indigenous manufacture.

Progressive increase in the demand for cars and trucks during the post-Independence period has provided great impetus to the growth of this Industry. Statement 1·1 gives State-wise details of the number of units manufacturing and repairing motor vehicles and the workers employed therein from 1950 onwards.

It will be seen from this Statement that judged from the number of persons employed, the Industry is mainly concentrated in the States of Maharashtra and Madras with West Bengal, Uttar Pradesh, Mysore and Andhra Pradesh, following close behind.

STATEMENT 1·1

State-wise Distribution of Motor Vehicle Factories in India and Average Daily Employment therein (1950—1961)

Year	Andhra Pradesh	Assam	Bihar	Delhi	Gujarat	Hima- chal Pradesh	Kerala	Madhya Pradesh	Madras
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1950	11 (1,094)	—	—	—	13 (292)	—	12 (1,386)	12 (419)	9 (228)
1951	29 (2,188)	20 (557)	35 (1,007)	—	—	1 (25)	30 (1,770)	21 (1,141)	317 (12,225)
1952	38 (2,218)	22 (552)	70 (825)	—	2 (227)	2 (41)	22 (1,844)	29 (869)	307 (11,204)
1953	83 (3,661)	18 (559)	39 (896)	3 (1,437)	2 (227)	1 (29)	N.A.	36 (1,108)	245 (14,024)
1954	90 (3,689)	17 (539)	42 (1,213)	14 (1,366)	1 (N.A.)	2 (73)	25 (745)	35 (1,213)	244 (13,260)
1955	93 (3,737)	18 (577)	55 (1,011)	5 (1,344)	2 (17)	2 (74)	26 (795)	40 (1,455)	226 (13,631)
1956	108 (7,770)	25 (693)	79 (1,524)	5 (1,326)	1 (13)	3 (97)	44 (1,726)	35 (1,254)	245 (14,916)
1957	106 (3,519)	24 (737)	316 (18,021)	6 (1,390)	1 (12)	3 (96)	66 (2,582)	39 (1,572)	247 (16,516)
1958	126 (4,292)	26 (773)	99 (1,814)	6 (1,381)	—	3 (86)	93 (2,849)	41 (1,918)	254 (16,840)
1959	119 (4,625)	28 (844)	108 (1,795)	58 (3,492)	—	4 (148)	100 (2,818)	40 (1,780)	332 (18,294)
1960	121 (4,704)	32 (1,078)	117 (1,991)	62 (4,580)	100 (4,285)	6 (284)	101 (2,893)	38 (1,831)	324 (19,867)
1961	128 (5,426)	33 (1,097)	135 (2,434)	63 (5,170)	113 (4,556)	7 (317)	102 (2,958)	45 (2,386)	324 (20,701)

STATEMENT 1.1—*contd.*

Year	Mahara- shtra	Mysore	Orissa	Punjab	Raja- sthan	Uttar Pradesh	West Bengal	Others	Total
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1950	25 (2,413)	9 (1,552)	—	2 (194)	15 (126)	17 (2,601)	8 (3,468)	—	133 (13,973)
1951	133 (10,181)	8 (3,433)	4 (240)	35 (727)	19 (503)	54 (1,996)	49 (9,579)	13 (299)	768 (45,881)
1952	154 (12,738)	13 (1,573)	7 (122)	39 (743)	19 (502)	61 (2,040)	43 (8,993)	15 (293)	843 (39,784)
1953	151 (15,196)	18 (1,972)	5 (133)	22 (714)	14 (285)	61 (5,628)	58 (6,883)	15 (316)	771 (53,068)
1954	178 (15,534)	21 (2,140)	6 (195)	27 (810)	13 (258)	73 (6,132)	40 (7,369)	13 (321)	831 (54,857)
1955	196 (16,854)	21 (505)	10 (313)	29 (738)	14 (95)	77 (6,273)	57 (8,019)	—	871 (55,438)
1956	216 (18,374)	36 (3,231)	12 (451)	33 (906)	17 (573)	96 (7,337)	67 (8,994)	—	1,022 (69,187)
1957	6 (4,662)	44 (3,573)	13 (435)	32 (813)	15 (368)	103 (7,371)	79 (10,250)	—	1,100 (71,917)
1958	244 (21,535)	—	14 (473)	35 (959)	14 (395)	116 (7,746)	89 (9,692)	—	1,160 (70,753)
1959	270 (23,106)	89 (5,953)	13 (456)	33 (1,091)	18 (447)	114 (8,554)	93 (9,774)	—	1,419 (82,177)
1960	185 (22,209)	101 (6,711)	13 (470)	36 (1,151)	20 (518)	117 (9,667)	98 (11,610)	1 (58)	1,472 (93,907)
1961	196 (23,865)	117 (7,145)	15 (542)	39 (1,483)	25 (766)	121 (9,787)	100 (12,059)	1 (61)	1,564 (1,00,753)

Source: Indian Labour Year Books for figures from 1950 to 1958 and Statistics of Factories for 1959 to 1961.

Note:—(i) Till the year 1955 information relates only to Factories 'covered under the Factories Act, 1948 and submitting returns. From 1956 onwards the information relates to all factories registered under the Factories Act; for those which did not submit the returns during any year the employment figure was estimated.

(ii) Figures within brackets indicate average daily employment.

(iii) Figures for 1961 are provisional.

N.A. means figures not available.

1.2. Organisation of the Industry—

As its name implies, the 'Manufacture and Repair of Motor Vehicles' Industry (hereafter referred to as the Motor Vehicle Industry) can be divided into two main sectors viz., units engaged in the manufacture of vehicles and having, generally, large establishments and the relatively small-size workshops attending only to repairs and servicing of motor vehicles. The leading manufacturing concerns have, in turn, specialised in the production of particular types of vehicles. While some are producing light and big cars, others manufacture only commercial vehicles like medium and heavy trucks. Some others have concentrated on the production of heavy vehicles for public conveyance and a few manufacture only jeeps and station wagons.

1.3. *Genesis of the Survey* -

The first comprehensive survey of conditions of labour in various industries in India, on a country-wide basis, was conducted by the Royal Commission on Labour during 1929—31. Its report and findings formed the basis of various ameliorative measures. After a lapse of over a decade, i.e. in 1944, the Government of India appointed another Committee, namely, the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted, in 1944-45, detailed investigations in 38 industries and, besides a main report on labour conditions in general, published individual reports in respect of various industries. At the time of the Labour Investigation Committee's enquiry, the Motor Vehicle Industry in India had just emerged and had not developed sufficiently to merit inclusion in the list of important industries surveyed by the Committee. However, in the Committee's report pertaining to Engineering and Minerals and Metals Industries, a chapter was devoted to 'Coal-Building and Motor Repairing'. The Committee's reports proved to be a useful source of information required for the formulation of labour policy. The years that followed witnessed many changes of far-reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were introduced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and increase in wages in various industries. Above all, the attainment of Independence by the country gave a new status to the working classes. In view of these developments, the Ministry of Labour as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted so that it may be possible to assess the effects of the various measures adopted in the past and obtain a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan and the Labour Bureau, Simla, was entrusted with the execution of this scheme.

1.4. *Scope and Design* -

A note attached to the Report (Appendix) gives details relating to the sample design and method of estimation adopted. In view of the absence of a complete list of all motor vehicle manufacturing and repairing factories, the Survey was confined to establishments registered under the Factories Act, 1948. Since motor vehicle manufacturing and repairing factories had pockets of concentration, it was considered desirable to plan the Survey in such a manner that separate estimates become available for each such centre of concentration. In view of a considerably large number of workers employed in the Industry in the States of Maharashtra, Madras and West Bengal, these three States were treated as separate strata. All other motor vehicle manufacturing and repairing factories scattered in the remaining States and the Union Territories, were clubbed together to form the Residual stratum.

For purposes of drawing the samples, units of the Industry were divided into two size groups—large and small, using the cut-off point as 50, which was

approximately equal to the average size of employment. The sampling fraction adopted was 25 per cent. for all the large-size and $12\frac{1}{2}$ per cent. for small-size factories.

The following Statement shows the number of motor vehicle manufacturing and repairing factories together with the number of workers employed therein (a) in the frame, (b) in the sample, and (c) in the sample actually covered.

STATEMENT 1.2

Number of Motor Vehicle Factories and Workers Employed therein in the Frame, Sample, etc.

Regional Stratum (Centre)	In the Frame* (1959)		In the Sample Selected		In the Sample Actually Covered	
	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Madras	326	16,152	48	5,117	44 (13.5)	5,078 (30.9)
2. Maharashtra ..	164	14,429	26	1,704	26 (15.8)	1,704 (11.8)
3. West Bengal ..	93	10,225	16	1,116	14 (15.0)	1,007 (39.2)
4. Residual	740	27,678	127	6,196	124 (16.4)	6,126 (22.0)
5. ALL-INDIA	1,323	68,784	217	17,163	205 (15.5)	16,915 (24.6)

Note: Figures within brackets in columns (6) and (7) are percentages to the total number of factories and workers as given in Cols. (2) and (3).

* The frame relates to the list of factories for the year 1959. For a few States for which the 1959 lists were not available at the time of drawing the sample, list for the latest year available was used. Hence the figures in cols. (2) and (3) may not tally with the corresponding figures for 1959 in Statement 1.1.

From the figures given in the Statement (1.2), it would be seen that the Survey ultimately covered nearly 16 per cent. of the motor vehicle factories and about 25 per cent. of the workers employed therein. Since only those factories which featured in the frame were included in the sample and it was not possible to take account of the new factories which came into being till the start and during the period of the Survey, the information given in this report should be treated to relate to conditions in the factories which were in existence during the period to which the frame relates (i.e., 1959) and which continued to exist at the time of the Survey.

The data were collected by personal visits of the field staff of the Bureau. With a view to testing the schedule and instructions prepared for the Survey as also to impart training to the field staff, a pilot enquiry was conducted in September and October, 1959. On the basis of the experience of this enquiry, the schedule* and instructions were suitably revised. The main field enquiry was launched in July, 1961 and was completed in August, 1962. Since the enquiry in essence was during 1961 and 1962, the data, except where specifically mentioned, should be treated to relate to this period.

* The schedule used for the Survey has been published in the reports relating to Silk and Jute Industries.

CHAPTER 11

EMPLOYMENT

2.1. *Composition of the Working Force -*

During the course of the present Survey, with a view to ensuring comparability as well as uniformity of statistics collected from different sampled establishments, data pertaining to the composition of the working force were collected for a fixed date, i.e., June 30, 1961. The Survey results show that on this date the estimated total number of workers employed in the Motor Vehicle Industry, as a whole, was about 90 thousand*. This estimate differs from the statistics of the Factories Act (i.e., 93,907) for the year 1960, which may be due to the fact that it related to a particular point of time, whereas the Factories Act figure represents the average daily employment during the year.

2.1.1. *Distribution by Broad Occupational Groups—*

For purposes of the present Survey, the internationally accepted classification† of workers was followed, according to which the workers have been classified into the following categories.

- (a) Professional, Technical and Related Personnel.
- (b) Administrative, Executive and Managerial Personnel.
- (c) Clerical and Related Workers (including Supervisory).
- (d) Production and Related Workers (including Supervisory).
- (e) Watch and Ward and Other Services.

Based on the above classification, the number of workers covered under the Factories Act, falling in different occupational groups, is given in Statement 2.1.

As in the case of most of other industries surveyed, the working force in the Motor Vehicle Industry comprised predominantly of 'Production and Related Workers' who accounted for 85 per cent. of the total. The proportion of workers belonging to this group did not vary widely from one stratum to another, the range being from 81.8 in West Bengal to 87.3 in Maharashtra. Persons employed as 'Clerical and Related Workers (including supervisory)' was the next important group forming about 7 per cent. of the total. Those in the group 'Watch and Ward and other Services' accounted for 4.8 per cent. of the total working force at the all-India level. The rest were 'Professional, Technical and Related Personnel' and 'Administrative, Executive and Managerial Personnel'.

* This figure excludes the number of workers 'not covered' under the Factories Act, 1948 because in the Motor Vehicle Industry a number of units were found to be associated with the operational side also and consequently, were engaging a large number of drivers, conductors, inspectors, etc., who had nothing to do with the Manufacture and Repair of Motor Vehicles Industry. As such, all workers reported to be 'not covered' under the Factories Act have been excluded from the purview of our analysis.

† 'International Standard Classification of Occupations' adopted by the I.L.O.

STATEMENT 2·1

Estimated Percentage Distribution of Workers in the Motor Vehicle Industry by Broad Occupational Groups (June, 1961)*

Centre	Total Number of Workers	Professional, Technical and Related Personnel	Administrative, Executive and Managerial Personnel	Clerical and Related Workers (including Supervisory)	'Production and Related Workers' (including Supervisory)	Watch and Ward and Other Services
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Madras	17,374	1·3	0·7	11·2	83·1	3·7
2. Maharashtra	20,009	1·2	0·6	4·6	87·3	6·3
3. West Bengal	17,257	7·3	0·7	7·1	81·8	3·1
4. Residual	35,633	1·4	0·4	6·8	86·1	5·3
5. ALL-INDIA	90,273	2·4	0·6	7·2	85·0	4·8

* Figures relate to workers 'covered' under the Factories Act, 1948.

2·2. *Employment of Women—*

Employment of women in the Motor Vehicle Industry was negligible. Statement 2·2 shows the relative employment strength of men, women and children in the Industry.

STATEMENT 2·2

Estimated Proportion of Men, Women and Children in the Working Force in the Motor Vehicle Industry (June, 1961)

		Estimated Number of Workers Employed			
Centre		Men	Women	Children	Total
(1)		(2)	(3)	(4)	(5)
1. Madras .. ..	..	17,364 (99·9)	10 (0·1)	—	17,374
2. Maharashtra .. ..	..	20,009 (100·0)	—	—	20,009
3. West Bengal .. ..	..	17,257 (100·0)	—	—	17,257
4. Residual .. ..	..	35,537 (99·8)	48 (0·1)	48 (0·1)	35,633
5. ALL-INDIA .. ..	..	90,167 (99·9)	58 (0·1)	48 (0·0)*	90,273

*Note:—*Figures within brackets are percentages.

* This figure is the result of rounding off though the actual figure is 0·05.

It is estimated that only about 3 per cent. of the motor vehicle factories in the country employed women and the number employed was insignificant.

Statement 2·3 gives details regarding the percentage of factories employing women and the number of women workers in the Industry in June, 1961.

STATEMENT 2·3

Estimated Proportion of Women Workers to the Total Working Force in the Motor Vehicle Industry*
(June, 1961)

Centre	Total Number of Factories	Percentage of Factories Employing Women	Total Number of Workers Employed*	Number of Women Workers Employed	Percentage of Women Workers to the Total Working Force in the Industry	Percentage of Women Workers to the Total Working Women in the Industry
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Madras	275	1·3	17,374	10	0·1	17·2
2. Maharashtra ..	158	—	20,009	—	—	—
3. West Bengal ..	91	—	17,257	—	—	—
4. Residual	653	4·1	35,633	48	0·1	82·8
5. ALL-INDIA	1,177†	2·6	90,273	58	0·1	100·0

* Figures relate to workers 'covered' under the Factories Act.

† The number of factories given here is different from that given in Statement 1·2. The difference is due to the fact that only those factories were covered which continued to exist till the time of the Survey.

It will be seen from Statement 2·3 that there were no women workers in the Industry in Maharashtra and West Bengal Centres. About 83 per cent. of the total number of women workers were employed in the Residual Group of factories, Madras accounting for the remaining 17 per cent.

Data in respect of the distribution of women workers into various occupational groups were also collected during the Survey. It was observed that women workers were engaged in the Motor Vehicle Industry only for watch and ward and other services and clerical and related jobs, the respective percentages for these two groups being about 72 and 28, at the all-India level. In Madras stratum, nearly 80 per cent. of the women workers belonged to watch and ward and other services and the remainder were employed for clerical jobs, whereas in the Residual Group, the respective percentages were about 71 and 29. Most of the women employed on clerical and related jobs were found working in the head office. Those engaged in watch and ward and other services were generally employed for sweeping the premises.

2.3. Child Labour—

Like women, child labour was also almost absent in the Motor Vehicle Industry (ref. Statement 2.2). Survey has revealed that only a few small units in the Residual Group of factories, constituting an insignificant proportion of all factories, had child labour on their rolls. Children were employed as helpers in the department of cleaning and opening of engines. Light nature of work and willingness to accept low wages were stated to be the reasons for employing children.

2.4. Time and Piece-rated Workers—

Data were collected in respect of the distribution of 'Production Workers' by methods of payment, i.e., time-rated and piece-rated workers. Figures relate to both categories of employees—those employed directly and through contractors—who were covered under the Factories Act. Details regarding percentage distribution of these workers by sex and mode of payment are set out in Statement 2.4.

STATEMENT 2.4

Estimated Percentage Distribution of 'Production Workers' in the Motor Vehicle Industry by Methods of Payment
(June, 1961)

Centro	Total Number of 'Production Workers'	Distribution of Workers into		Percentage Distribution of Workers by Sex and Method of Payment					
		Time-rated	Piece-rated	Men		Women		Children	
				Time-rated	Piece-rated	Time-rated	Piece-rated	Time-rated	Piece-rated
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Madras	14,311	100.0	—	100.0	—	—	—	—	—
2. Maharashtra	17,249	99.5	0.5	99.5	0.5	—	—	—	—
3. West Bengal	14,059	64.3	35.7	64.3	35.7	—	—	—	—
4. Residual	29,824	100.0	—	100.0	—	—	—	100.0	—
5. ALL-INDIA	75,443*	93.2	6.8	93.2	6.8	—	—	100.0	—

*This figure includes direct and contract labour but excludes 1,256 unpaid workers.

†'Covered' under the Factories Act, 1948.

It was noticed that about 93 per cent. of the workers in the Industry, as a whole, were time-rated and the rest were piece-rated. As among the various strata, in Madras and Residual Centres, all 'Production Workers' were time-rated, and in Maharashtra their percentage was as high as 99.5. It was only in West Bengal that a substantial proportion of the working force was being paid on a piece-rate basis. It was, however, noticed that piece-rate system was prevalent only in large factories in West Bengal. Since male workers constituted an overwhelming proportion of the working force, their distribution between time and piece-rated was the same as for all workers in all the strata. Children who were found employed in a few small factories in the Residual Group, were all paid on time basis.

2.5. *Contract Labour—*

Employment of workers through contractors was not common in the Motor Vehicle Industry inasmuch as only 137 workers (i.e. 0.18% of the 'Production Workers') were found so employed in hardly 3 per cent. of the factories. In two of the four strata, namely, Madras and the Residual Group, there was no contract labour at all. Such labour was employed on jobs like Tin Plating, Polishing, Welding and Refining of Bolts and Nuts and Electroplating. Paucity of skilled workers for these jobs, lower rates of wages and temporary nature of work were reported to be the reasons advanced for employment of contract labour.

2.6. *System of Recruitment—*

According to the present Survey, a majority of the workers (about 78%) in the Industry were found to have been recruited directly. Of these, about 62 per cent. were recruited at the factory gate itself, and about 19 per cent. each through Labour Office and departmental heads. Nearly 22 per cent. of the employees in the Industry were found to have been recruited indirectly, their break-up being 8 per cent. through employment exchanges and about 14 per cent. by advertising the vacancies. A welcome feature was that recruitment through intermediaries, which had been a bane of most Indian industries, was very little in the Motor Vehicle Industry.

The system of recruitment at the factory gate was most popular in Madras and Maharashtra strata, as is evident from the respective figures of about 76 and 65 per cent. of the workers recruited there in this manner. In factories in the West Bengal stratum, on the other hand, Labour Offices were found to be playing a prominent role in recruitment, as nearly 60 per cent. of the workers had been engaged through them. Information collected from the Residual Group of factories shows that they had no marked preference for any particular method of recruitment and all the above-mentioned methods were being used for the purpose.

2.7. *Employment Status—*

During the course of the Survey, information pertaining to the classification of directly employed 'Production Workers' into different categories according to employment status was also collected and is presented in Statement 2.5. For purposes of classification of workers into permanent, temporary, probationers, *badli*, casual, etc., generally, the definitions as contained in the Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946, or some of the State Acts, were relied upon. However, since these Acts apply to only those establishments which employ more than a certain number of workers, many of the motor vehicle factories had not framed such Standing Orders. In their case, reliance had to be placed on the version of the managements.

STATEMENT 2·5

*Estimated Percentage Distribution of 'Production and Related Workers' in the Motor Vehicle Industry by Employment Status**(June, 1961)*

Centre	Total Number of 'Production Workers'*	Percentage Distribution of Workers						
		Per- manent Workers	Proba- tioners	Tempo- rary Workers	<i>Badlis</i>	Casual Workers	Appren- tices	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Madras ..	14,434	77·1	6·4	3·8	0·1	2·5	10·1	—
2. Maharashtra ..	17,365	72·2	0·4	20·2	0·6	2·7	3·9	—
3. West Bengal ..	14,071	78·6	0·4	5·9	—	11·7	3·4	—
4. Residual ..	30,692	49·6	1·0	35·1	0·2	7·1	6·8	0·2
5. ALL-INDIA ..	76,562	65·2	1·8	20·5	0·2	6·1	6·1	0·1

* Covered under the Factories Act, excluding contract workers.

It is estimated on the basis of the Survey results, that about 65 per cent. of the 'Production Workers' in the Industry were permanent, about 20 per cent. temporary and nearly 6 per cent. each casual and apprentices. The rest consisted of probationers, *badlis* and others†. The proportion of permanent workers was the highest in West Bengal being about 78·6 and the lowest in Residual Group (only 49·6). The percentage of temporary workers was the highest (35·2) in Residual Group and lowest (3·8) in Madras stratum. Workers were found to have been employed on a temporary basis mostly in small factories, with the exception of those in the Residual Group where large factories had more temporary workers on their rolls. There were not many *badli* workers in the Industry and the percentage of casual labour was significant (11·7%) in West Bengal stratum alone. The proportion that apprentices formed to the total working force was the highest in Madras followed by that in the Residual Group.

2·8. Length of Service.—

A study of distribution of directly employed 'Production Workers' according to length of service was made during the present Survey. Wherever managements maintained any records showing the date of appointment of their employees (e.g. service cards, leave records, etc.) the information was collected from such records, but in their absence, the version of the managements was relied upon. Data collected are presented in Statement 2·6.

† A small factory in the Residual Group employed a few workers whose employment status had not been specified.

STATEMENT 2·6

Estimated Percentage Distribution of 'Production and Related Workers' in the Motor Vehicle Industry According to Length of Service
(June, 1961)

Contro	Total Number of 'Production Workers'*	Percentage Distribution of Workers with Length of Service				
		Under 1 year	1 year and above but less than 5 years	5 years and above but less than 10 years	10 years and above but less than 15 years	15 years and above
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Madras	14,311	19·8	41·2	15·9	14·3	8·8
2. Maharashtra ..	17,157	19·4	33·0	23·8	18·7	5·1
3. West Bengal ..	14,014	18·8	35·4	34·4	4·4	7·0
4. Residual	29,824	23·4	34·1	21·8	15·0	5·7
5. ALL-INDIA	75,106	20·9	35·5	23·5	13·7	6·4

* Covered under the Factories Act, 1948 and employed directly excluding unpaid workers (1,256).

It will be seen from the Statement (2·6) that a majority of 'Production Workers' in the Industry (about 36%) were having more than one but less than five years' service to their credit on June 30, 1961. Nearly 37 per cent. of workers had put in more than 5 years' but less than 15 years' service and about 6 per cent. of the workers had over 15 years' service to their credit. On the other hand, the percentage of workers who had not completed the first year of their service at the time of the Survey was also not insignificant being about 21.

As among different strata, Madras was found to have the highest percentage in respect of two categories of workers i.e., those having between 1 and 5 years of service (about 41%) and those with over 15 years of service (about 9%). The percentage of workers having less than one year's service did not vary much from one stratum to another.

2·9. Absenteeism—

Data pertaining to absenteeism were collected only in respect of 'Production Workers' employed directly, excluding casual, *badli* and unpaid workers, and are presented in Statement 2·7. However, these data are subject to some limitations. It was found in some cases that if a worker left the establishment during the currency of any pay period his name was not removed from the register, nor any remark to the effect that he left service was given against his name. Instead, only absences were marked. Since the data were collected for a period of the preceding twelve months it was not possible to find out all cases of quits† and genuine absences. For these reasons, the rate of absenteeism reflected in Statement 2·7, it is felt, is rather on the high side.

†Quits are termination of employments initiated by employees because of acceptance of elsewhere, dissatisfaction, marriage, maternity, ill-health, unauthorised absence, etc.

STATEMENT 2.7

Estimated Absenteeism Rate in the Motor Vehicle Industry*

(During July, 1960 to June, 1961)

Month				Madras	Maharashtra	West Bengal	Residual	All India
(1)				(2)	(3)	(4)	(5)	(6)
1960—								
July	..	..	..	13.1	11.7	10.1	13.4	12.5
August	..	..	..	13.2	12.0	9.5	12.7	12.1
September	..	..	..	13.4	14.2	8.8	13.5	12.9
October	..	..	..	12.5	13.9	14.5	12.4	13.7
November	..	..	..	13.4	14.9	11.0	11.7	12.7
December	..	..	..	12.2	13.3	10.8	13.2	12.6
1961—								
January	..	..	..	12.9	10.9	11.7	12.8	12.3
February	..	..	..	13.7	10.9	11.8	13.9	12.8
March	..	..	..	12.4	12.0	11.2	14.0	12.7
April	..	..	..	1.3	11.4	17.5	15.1	14.4
May	..	..	..	13.3	12.0	19.6	15.7	14.1
June	..	..	..	14.2	12.6	15.8	14.2	15.2
Overall	..	..	..	12.7	12.5	12.8	13.7	13.2

* Percentage of man-days lost to the man days scheduled to work.

It can be readily seen that the absenteeism rate was usually on the high side from March to June, 1961. At the all-India level, the absenteeism rate was the highest in the month of June, (15.2) while those in the months of April (14.4) and May (14.1) were close behind. The lowest rate was recorded in August, 1960 (12.1). As among different strata, Residual Group led all others with an over-all absenteeism rate of 13.7; the rate was the least in Maharashtra Stratum, being about 12.5.

Since managements generally did not maintain any records of absence; by causes it was not possible to collect any data in this respect. However, the general information which could be gathered from various sources indicates that the high rate of absenteeism between March and June was usually due to the harvesting and marriage seasons when workers went to their native places. High temperature during this period could also be a contributory factor. In January and February the workers became entitled to fresh leave and the tendency to avail of leave resulted in high absenteeism during these months. In September and October the rate was comparatively high because of festivals. About 18 per cent. of all factories, comprising nearly 41 per cent. of the units in Maharashtra, 20 per cent. in the Residual Group, 17 per cent. in West Bengal and only 4 per cent. in Madras were found to have adopted measures for checking the high rate of absenteeism. These were reported to be such as (a) grant of two days' extra bonus if a worker attended duty on all working days in a month, (b) crediting the monetary value of unavailed leave to the workers' accounts, (c) charge-sheeting for absence from duty without permission, (d) warnings and fines and, (e) stoppage of increments.

2.10. Labour Turnover—

Data regarding labour turnover in the Industry were also collected in respect of the same categories of workers as in the case of absenteeism. Statement 2.8 gives the rates of accessions and separations of the twelve months ending June, 1961, as revealed by the present Survey.

STATEMENT 2.8

Estimated Monthly Rates of Accession and Separation in the Motor Vehicle Industry (In percentages)

(During July, 1960 to June, 1961)

Month	Centre									
	Rate of Accession					Rate of Separation				
	Madras	Maha- rashtra	West Bengal	Resi- dual	All India	Madras	Maha- rash- tra	West Bengal	Resi- dual	All India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1960—										
July	1.2	2.9	0.7	2.1	1.8	0.9	1.5	1.1	2.2	1.6
August	2.1	4.3	1.8	2.7	2.8	1.1	2.7	0.9	2.1	1.8
September	1.7	6.6	1.5	2.7	3.2	0.6	5.7	2.2	2.1	2.7
October	2.6	7.4	3.4	2.5	3.8	1.5	9.9	1.1	1.4	3.4
November	1.1	3.0	3.9	1.8	2.3	0.8	3.3	1.7	1.9	2.0
December	2.6	4.8	3.7	2.3	3.2	1.0	3.4	1.6	2.0	2.1
1961—										
January	2.0	5.7	3.8	2.3	3.3	1.0	3.3	1.1	1.0	1.6
February	1.5	6.2	3.6	1.5	4.0	1.2	4.3	1.1	1.4	2.0
March	1.7	6.2	1.5	2.5	3.0	1.3	7.2	4.3	3.4	4.1
April	1.5	4.8	2.8	4.3	3.6	2.0	6.6	1.7	1.6	2.9
May	1.2	8.0	3.2	2.9	3.8	1.1	8.1	1.0	2.1	3.1
June	1.5	5.4	1.7	2.8	3.0	0.8	7.5	0.6	1.4	2.5
Overall	1.7	5.5	2.6	2.5	3.1	1.1	5.3	1.5	1.9	2.4

The Statement shows that the rate of labour turnover was not very high in the Motor Vehicle Industry, both in respect of accessions as well as separations. While the overall rate of accession for the Industry as a whole was about 3.1, the rate of separation was 2.4, thus showing a tendency towards an expansion of the working force during this period. In the country as a whole, the accession rate varied from about 1.8 per cent. to 3.8 per cent. while the range of separation rate was between 1.6 and 4.1 per cent. Taking the different strata into account, the over-all rates of accession and separation were the highest for Maharashtra being about 5.5 and 5.3, respectively. In Madras and West Bengal labour turnover was fairly low.

In the course of the Survey an attempt was also made to collect statistics relating to separations by causes and the same are presented in Statement 2.9.

STATEMENT 2.9

Estimated Percentage Distribution of Separations by Causes in the Motor Vehicle Industry

(During July, 1960 to June, 1961)

Centre	Causes				
	Discharge or Dismissal		Quits	Retirement or Death	Others
1	2		3		
1. Madras	11.3		84.3	4.4	—
2. Maharashtra	90.6		8.4	1.0	—
3. West Bengal	45.3		50.7	3.7	0.3
4. Residual	38.8		56.5	1.3	3.4
5. ALL-INDIA	63.1		34.2	1.7	2.0

It is evident from the Statement that dismissals and discharges were the predominant causes of separations in the Industry accounting for about 63 per cent. of them. Quits were responsible for nearly 34 per cent. of separations. The rest of the separations were due to retirement, death, etc.

2.11. Training and Apprenticeship—

Information collected during the course of the Survey shows that the system of providing training to operatives was in vogue in about 38 per cent. of the units in the Motor Vehicle Industry. However, regular arrangements were found existing in only 14 per cent. of the factories having this facility and they were mostly large units. A vast majority of the establishments having training and apprenticeship facilities (about 86%) were running only *ad hoc* schemes for their employees.

Training was being imparted in trades like Auto Engineering, Body Making and Repairing and also in such jobs as Fitter Mechanic, Welder, Electric Apprentice and Cleaner Apprentice. The period of training ranged, in most of the units, between three months to one year. In some large factories, however, it extended up to two or even three years. Usually, the trainees were paid a remuneration which varied from Rs. 30 to 100 per month. The number of motor vehicle units which guaranteed employment on completion of training was found to be negligible.

CHAPTER III

WAGES AND EARNINGS

3.1. *Wage Revisions*--

There has been no standardisation of wage rates in the Motor Vehicle Industry on a country-wide basis and consequently, it was noticed, in the course of the Survey, that the rate of wages generally varied not only from region to region but at times even between different units in the same region. The wage structure existing in the motor vehicle factories was found to have developed either on the basis of the prevailing rates of wages in the area or executive orders of the Government, or was the result of bargaining between employers and workers. In a few cases, wages had been fixed in terms of adjudication awards. In the States of Bihar and Mysore and the Union Territory of Delhi, the appropriate Government had brought the Automobile Engineering Industry within the purview of the Minimum Wages Act, in 1960, and had fixed the minimum rates of wages for some categories of workers.

With the specific purpose of studying recent changes in wage structure of the Industry, information was collected in respect of the number of wage revisions, since 1956, affecting majority of workers in the sampled establishments. The data available show that about 38 per cent. of the motor vehicle factories in the country had revised the wages of their employees. About 56 per cent. of them were found to have done so once, nearly 19 per cent. twice and 18 per cent. three times. In the remaining approximately 7 per cent. of the factories, more than three wage revisions had been effected.

Of the wage revisions in the Industry since 1956, about 51* per cent. were consequent to the executive orders of the Government (Central or State) and about 28 per cent. were the result of collective agreements between employers and workers. In 19 per cent. wage revisions were found to have been brought about by employers voluntarily, and adjudication awards were responsible for revision of wages in the remaining establishments.

3.2. *Pay Periods*—

Information collected on this point shows that month was the predominant pay period in the Motor Vehicle Industry since the percentage of workers who received wages once in a month was as high as about 95. Statement 3.1 which shows the distribution of workers according to different pay periods appears on page 17.

It would be seen that the percentage of employees who received their pay packet fortnightly or weekly was very small. The proportion of workers whose pay period was a day, and of those who had no fixed pay period†, was insignificant. Speaking of different Centres, fortnightly or daily payments were not in vogue in Madras and Maharashtra; the workers in these two Centres were being paid their dues either monthly or weekly. In West Bengal, however,

*These include the revision of pay scales in terms of the recommendations of Pay Commission and changes effected in the minimum wages under the Minimum Wages Act, 1948.

†A few contract workers in two small factories in Maharashtra had no fixed pay period.

about 8 per cent. of the workers got their wages every fortnight. Speaking generally for the Industry as a whole, 'Production Workers' and clerical administrative, technical and supervisory staff were almost invariably monthly paid; other pay periods applied mostly to casual labour.

STATEMENT 3.1

Estimated Percentage Distribution of Workers According to Pay Periods in the Motor Vehicle Industry*
(June, 1961)

Centro	Percentage of Workers whose Pay Period was				
	Month	Fortnight	Week	Day	Not fixed
(1)	(2)	(3)	(4)	(5)	(6)
1. Madras	94.0	—	5.4	—	—
2. Maharashtra ..	97.4	—	2.1	—	0.5
3. West Bengal ..	90.3	8.4	1.3	—	—
4. Residual	95.3	3.4	1.2	0.1	—
5. ALL-INDIA	94.7	3.0	2.2	0.0	0.1

* Covered under the Factories Act and employed directly.

3.3. *Earnings*—

Information relating to man-days worked, and the basic wages, dearness allowance and other emoluments earned by workers during a pay period, preceding the specified date (i.e., June 30, 1961), was collected from each of the sampled units. The data relate to workers covered under the Factories Act. Since 'Production Workers' constituted the bulk of the working force, information in respect of this group was collected separately for men, women, and children. Data relating to earnings of workers by occupations were, however, not collected as the Labour Bureau had already conducted a detailed occupational wage survey in 1958-59.

3.3.1. *Earnings of 'All Workers' and 'Production Workers'*—

Based on the results of the present Survey, the average daily earnings of a worker in the Motor Vehicle Industry have been estimated at Rs. 5.65 during June, 1961. Details are presented in Statement 3.2.

STATEMENT 3·2

Estimated Average Daily Earnings of Workers in the Motor Vehicle Industry

(June, 1961)

(In Rupees)

Centre		All Workers*	'Production Workers'**			
			Men	Women	Children	All
(1)		(2)	(3)	(4)	(5)	(6)
1. Madras ..	..	5·88	5·52	—	—	5·52
2. Maharashtra ..	..	6·40	6·48	—	—	6·48
3. West Bengal ..	..	6·93	5·60	—	—	5·60
4. Residual ..	..	4·42	4·24	—	0·29	4·24
5. ALL INDIA ..	..	5·65	5·25	—	0·29	5·25

* All workers covered under the Factories Act i.e., Technical, Administrative, Production (including supervisory), Clerical (including Supervisory) and Watch and Ward employees, including contract labour.

** Covered under the Factories Act and employed directly.

The average daily earnings of 'all workers' were the highest in West Bengal (Rs. 6·93) and the lowest in the Residual Group of factories (Rs. 4·42). In Maharashtra and Madras, they were Rs. 6·40 and Rs. 5·88, respectively.

Taking only 'Production Workers' into account, their over-all average earnings were naturally lower, being Rs. 5·25, as compared to those of 'all workers'. This was so because of the impact of higher pay of managerial, technical and administrative personnel on the earnings of 'all workers'. Whereas in Madras, West Bengal and the Residual Group, 'Production Workers' earned less than 'all workers', in Maharashtra, it was the reverse. 'Production Workers' in this Centre were found to be getting, on an average, Rs. 6·48 per day while 'all workers' earned Rs. 6·40 only. This was, perhaps, due to the fact that, in Maharashtra, the proportion of watch and ward employees, whose earnings are generally low, was the highest in comparison to other Centres.† Similarly, the marked difference in the earnings of 'all workers' (Rs. 6·93) and 'Production Workers' (Rs. 5·60) in West Bengal, may be because of the high percentage of well-paid professional, technical, administrative and managerial staff in this Centre†. Children, who were employed only in a few small factories in the Residual Group, were earning on an average, only Re. 0·29 a day.

3·3·2. Earnings of the Lowest-paid 'Production Workers'—

In the Motor Vehicle Industry, the least remunerative occupations were those of helpers to skilled workers like artisans, mechanics, electricians, fitters, carpenters, blacksmiths, and painters. Besides these helpers, cleaners, polishers, lubricators and *mazdoors* were also among the lowest-paid workers. During the course of the Survey data in respect of the earnings of such workers were collected separately. The average daily earnings of the lowest-paid 'Production Workers', *vis-a-vis* 'all Production Workers' and 'all workers' are given in Statement 3·3.

† Please see Statement 2·1 in Chapter II.

STATEMENT 3·3

Estimated Average Daily Earnings of the Lowest-paid 'Production Workers' and Others in the Motor Vehicle Industry

(June, 1961)

(In Rupees)

Centre	Average Daily Earnings of		
	Production Workers	Lowest-paid Production Workers	All Workers
(1)	(2)	(3)	(4)
1. Madras	5·52	2·79	5·88
2. Maharashtra	6·48	4·49	6·40
3. West Bengal	5·60	3·38	6·93
4. Residual	4·24	2·79	4·42
5. ALL-INDIA	5·25	3·29	5·65

It will be seen from the Statement (3·3) that the average daily earnings of the lowest-paid 'Production Workers' in the Industry were Rs. 3·29 i.e., forming about 58 per cent. of the earnings of 'all workers' and about 63 per cent. of 'all Production Workers'. As in the case of all 'Production Workers' the lowest-paid 'Production Workers' also had the highest earnings in Maharashtra (Rs. 4·49) and the lowest in the Residual Group of factories (Rs. 2·79). In Madras also they earned exactly the same amount as in the Residual Group, and in West Bengal, their average daily earnings were Rs. 3·38.

3·3·3. *Earnings of Clerical and Watch and Ward Staff—*

In the course of the Survey, separate information was collected in respect of the earnings of clerical and watch and ward staff. The data are presented in Statement 3·4.

STATEMENT 3·4

Estimated Average Daily Earnings of Clerical and Watch and Ward Staff in the Motor Vehicle Industry

(June, 1961)

(In Rupees)

Centre						Clerical and Related Workers (including supervisory)	Watch and Ward and Other Services
(1)						(2)	(3)
1. Madras	..	..	..	..	..	7.69	3.93
2. Maharashtra	..	..	..	..	..	9.16	4.52
3. West Bengal	..	..	..	..	..	8.55	3.02
4. Residual	..	..	..	..	..	6.15	2.90
5. ALL-INDIA	..	..	..	..	..	7.50	3.61

The average daily earnings of clerical and related workers (including supervisory) were Rs. 7.50 at the all-India level. Their earnings were the highest in Maharashtra (Rs. 9.16), and the lowest in the Residual Group (Rs. 6.15). Thus, these workers earned higher wages than all 'Production Workers' as well as 'all workers' in all the Centres. In the Industry as a whole, watch and watch staff earned, on an average, only Rs. 3.61 per day. As such, they earned, in all the Centres, lower wages than all 'Production Workers', though their earnings were higher than those of the lowest-paid 'Production Workers' in all but West Bengal Centre.

3.4. Components of Earnings—

The present Survey has shown that the pay packet of a motor vehicle factory worker in India consisted, generally, of basic wages and dearness allowance only. Other allowances constituted a very minor element of the total earnings of the workers. A break-up of the total earnings of the workers is presented in Statement 3.5.

STATEMENT 3.5

Estimated Average Daily Earnings by Components of Workers in the Motor Vehicle Industry (June, 1961)

(In Rupees)

Centre	Basic Earnings (Basic Wages and D.A. or Consolidated Wages)	Production Incentive Bonus	Night Shift Allowance	House Rent Allowance	Transport Allowance	Overtime Pay	Other Cash Allowances	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Madras ..	4.77 (81.12)	0.96 (16.33)	0.06 (1.02)	0.07 (1.19)	—	0.01 (0.17)	0.01 (0.17)	5.83
2. Maharashtra ..	6.30 (98.44)	—	*	0.04 (0.62)	*	0.03 (0.47)	0.03 (0.47)	6.40
3. West Bengal ..	6.52 (94.08)	0.15 (2.17)	—	0.02 (0.29)	*	0.23 (3.32)	0.01 (0.14)	6.93
4. Residual ..	4.16 (64.13)	*	*	0.11 (2.49)	0.01 (0.23)	0.07 (1.58)	0.07 (1.58)	4.42
5. ALL-INDIA ..	5.24 (92.74)	0.21 (3.72)	0.01 (0.18)	0.07 (1.24)	*	0.08 (1.42)	0.04 (0.70)	5.65

Note.—Figures within brackets are percentages.

*Loss than Re. 0.005.

3.4.1. Basic Earnings—

The basic earnings i.e., the basic wages and dearness allowance, or the consolidated wages, accounted for as much as 92.7 per cent. of the total earnings of workers in the Industry, as a whole. It was also observed in the course of the Survey that the proportion of consolidated wages to total earnings was always in higher small establishments than in the large ones, in all the Centres.

It is also estimated that nearly half of the motor vehicle factories in the country were paying separate dearness allowance to their employees. Separate dearness allowance was being paid in about 72 per cent. of the units in Maharashtra and 56 per cent. in West Bengal. The percentage of such units in Madras was about 49 while in the Residual Group, it was roughly 45. Almost all the large factories in the Industry were following the practice of paying separate dearness allowance.

Of the factories paying separate dearness allowance, in about 9 per cent. the rate of dearness allowance was linked to the Consumer Price Index Number, while in nearly 10 per cent. of the factories workers were getting dearness allowance at a flat rate. In the rest of the units, different rates were found to have been fixed for different income slabs.

3.4.2. *Production/Incentive Bonus—*

The results of the present Survey reveal that only a few factories in the country had introduced some schemes for the payment of production/incentive bonus. Workers directly connected with production processes, such as, fitters, setters, mechanics, blacksmiths, carpenters and painters, etc., were entitled to receive this benefit. However, in one of the large factories surveyed in Madras, the scheme was applicable to all workers. The norms fixed and the rates of payment were found to vary from unit to unit.

During June, 1961 average earnings of workers on account of this component were only Re. 0.21 per day constituting about 3.7 per cent. of the total earnings.

3.4.3. *Night Shift Allowance—*

A few large units in Madras and Maharashtra were found to be paying night shift allowance. All workers on night shift duty in these factories were getting this allowance, but the rate of payment was found to differ according to categories of workers. Since the number of workers benefited was low, the share of this component in total earnings was insignificant.

3.4.4. *House Rent Allowance—*

Roughly 15 per cent. of the units in the Industry, scattered in all the four Centres, were paying house rent allowance to their employees. In a majority of these, all workers were reported to be receiving this benefit. The rates of house rent allowance were found to vary from unit to unit and in the same unit according to categories of workers. Since the benefit was not wide-spread, the impact it had on earnings was not significant.

3.4.5. *Transport or Conveyance Allowance—*

Information collected during the Survey shows that only a few factories, located in Maharashtra, West Bengal and the Residual Group, were paying transport or conveyance allowance. The benefit was restricted to certain types of employees only. For instance, in one of the small factories situated in Poona (Maharashtra), all those workers who were residing in the city and owned a bicycle were allowed Rs. 4 p.m. as transport allowance. Similarly, in two of the factories surveyed in the Residual Group, the workshop superintendent was getting an allowance of Rs. 150 p.m. in one and in the other, a traffic inspector was being paid Rs. 45 p.m. towards conveyance allowance.

During the month of June, 1961 workers in the Residual Group of factories earned, on an average, an amount of only Re. 0·01 per day as conveyance or transport allowance. However, in the remaining Centres, as also at the all-India level, the average earning per day attributable to this allowance was negligible (i.e., less than Re. 0·05). It may be relevant to mention here that some of the motor vehicle units in the country were providing free transport facility, from home to the factory and back, to some of their employees.

3·4·6. *Overtime Pay—*

Overtime work was not a regular feature in the Motor Vehicle Industry and hence this component was not reflected in earnings to any significant extent. On an average, it amounted to only Re. 0·08 per day. This amount included the normal wage for overtime work as also the overtime premium. Workers earned the highest amount on account of overtime in West Bengal, while in other Centers, its contribution to workers' total earnings was not significant.

3·4·7. *Concessions in Kind—*

No concessions in kind were being enjoyed by workers of motor vehicle factories in India.

3·4·8. *Attendance Bonus—*

Only a few of the factories, comprising three units each in Madras and the Residual Group and one in Maharashtra, were reported to be paying attendance bonus to their employees. The average earnings on account of this item were, however, insignificant.

3·4·9. *Other Cash Allowances—*

Certain other allowances such as Washing Allowance, Dress Allowance, Tea Allowance, Hill Allowance, Compensatory Allowance and Tiffin Allowance were also being paid in some of the units surveyed. The percentage of factories paying one or more of these allowances was about 31. However, the average earnings on account of such allowances were very small, being just Re. 0·04 per day at the all-India level. Factories paying these allowances were large as well as small and were located in all the four Centres.

3·5. *Profit and Annual Bonuses, etc.—*

Details of various bonuses paid each year to the workers in the Industry are briefly discussed below:

(i) *Profit-sharing Bonus*—Hardly about 3 per cent. of the units, all of them in the Residual Group, reported payment of profit-sharing bonus. All these factories had regular schemes, half of them framed entirely by the managements. The categories of workers entitled were non-gazetted staff in two units, all except clerical staff in another two, and all workers in the rest. The rate of payment was, generally, one or one and half month's salary every year. In some of the factories no conditions were attached, but in others, three months' or one year's service was insisted upon.

(ii) *Annual Bonus*—It is estimated that about one-fourth of the motor vehicle factories in the country were paying annual bonus to their employees. The scheme was regular in only 6 per cent. of the units and irregular in the remaining 19 per cent. In Madras annual bonus was being paid in about 29 per cent. of the factories, and in Maharashtra, in about 22 per cent. The percentages

of units paying annual bonus in West Bengal and the Residual Group were nearly 31 and 24, respectively.

In most of the units paying year-end bonus, all workers were covered under the scheme. However, in some cases it was found that only permanent, monthly-rated or directly employed workers were entitled to receive bonus. Normally, completion of one year's service was the condition for eligibility to bonus payment. In a few units, however, the condition was one, two, three or six months' service in the bonus year. In one large factory in the Residual Group, a good performance reward was being given annually to efficient old hands having good conduct.

In roughly 69 per cent. of the units, payment of annual bonus depended on the discretion of the management, but in about 28 per cent., it was as a result of agreement between the employers and employees. In a small factory in West Bengal, workers were receiving bonus by virtue of an adjudication award.

The rate of payment varied widely. It ranged from 15 days' basic wages, to one to three and even four months' basic pay. In some of the factories the quantum of bonus was determined for each worker on the basis of 1/3rd or 1/4th or 1/6th of the total basic pay earned during the year to which bonus related. In one large unit in West Bengal it was observed that a fixed amount of Rs. 75/- was paid yearly to all monthly rated workers and it was called *ex-gratia* payment. In a small factory in the Residual Group also, annual bonus was given the name of *ex-gratia* payment. In one large unit in the Residual Group, it was found that bonus was not paid to workers, the amount was instead credited to their provident fund accounts.

(iii) *Festival Bonus*—The practice of paying festival bonus was prevalent to a lesser extent than that of annual bonus, only about 19 per cent. of the units in the country having reported payment of bonus on one or the other festival. The scheme was *ad hoc* in almost all such units. Speaking of different Centres, none of the factories surveyed in Maharashtra were paying festival bonus and in the Residual Group also, the percentage of factories paying this bonus was very small (about 7%). In Madras, however, festival bonus was being paid in quite a large number of factories (about 58%), but the scheme was nowhere regular. In West Bengal also, nearly 30 per cent. of the motor vehicle factories reported payment of festival bonus—in about 4 per cent. the scheme was regular.

In most of the units paying festival bonus, all workers were entitled to receive the same. However, in some of them, casual, temporary or contract labour were excluded. In a few factories, no conditions were attached to payment while in the rest, generally, six months' or one year's service was insisted upon. As regards rates of payment, they differed from unit to unit and ranged, just as in the case of annual bonus, between 15 days' and four months' basic pay. However, in a majority of the factories paying festival bonus, one month's basic pay was being paid for the purpose.

Festival bonus was discretionary in about 80 per cent. of the factories paying it and was the result of agreement with workers, in the rest.

(iv) *Other Bonuses*—Hardly a few factories in the country were reported to be paying bonuses other than annual and festival and all of them were located in Madras. In one of the units surveyed, marriage bonus was being paid at the time of marriage. All workers were covered under the scheme and the rate of payment was one month's basic pay and dearness allowance. In another unit, two months' basic pay was given as a half yearly bonus to every worker having a minimum of two years' service to his credit. In both the above units, however, the scheme was irregular and discretionary.

3.6. *Fines and Deductions*—

Based on the results of the present Survey, it has been estimated that only about 10 per cent. of the motor vehicle factories in the country were imposing fines. Each one of the units imposing fines was maintaining fines register as required under the law. It is reported that the fines imposed were within the limits prescribed by the Payment of Wages Act. Most of the units in Maharashtra and the Residual Group levying fines, had not established a fines fund. The amounts recovered in the form of fines were being utilised in Madras for certain welfare purposes such as a football club, social welfare club, co-operative society, and for providing assistance to injured and sick workers who were not entitled to compensation under the Workmen's Compensation Act. In West Bengal, in one of the units surveyed, collections by way of fines were being utilised for 'Vishwakarma Pooja' and in another, for purchasing magazines and periodicals for the workers.

As regards deductions, about 83 per cent. of the units were effecting the same in conformity with the Payment of Wages Act.

CHAPTER IV

WORKING CONDITIONS

4.1. *Shifts*—

The present Survey has shown that a little more than three-fourths (i.e., about 76%) of all motor vehicle factories in the country were working single shift. The practice of working double shifts appeared to be more common in Maharashtra and the Residual Group. In West Bengal and Madras, only a few large factories were working two shifts. Three shift working was noticed in some of the large factories in Madras and Maharashtra and roughly 5 per cent. of the units in the Residual Group belonging to both size groups. One of the small units surveyed in Madras had no fixed working hours and, therefore, did not have any shift. Details are set out in Statement 4.1.

STATEMENT 4.1

Estimated Percentage Distribution of Motor Vehicle Factories According to Number of Shifts

Centre	Total Number of Factories	Estimated Percentage of Factories having				
		One Shift	Two Shifts	Three Shifts	No Shift at all	Night Shift
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Madras	275	88.5	5.0	3.8	2.7@	6.3
2. Maharashtra ..	158	59.2	38.7	2.1	—	6.8
3. West Bengal ..	91	91.6	8.4	—	—	—
4. Residual	653	73.4	21.5	5.1	—	7.7
5. ALL-INDIA ..	1,177	76.4	19.0	4.0	0.6@	6.6

@In these units there were no fixed working hours. Workers worked whenever they got work and hence there was no shift as such.

All the factories working three shifts had, invariably, a night shift and, excepting about 20 per cent. of the night-shift-working factories in the Residual Group, all others had a regular system of transferring workers from day shift to night shift and *vice versa*. In addition to the units working three shifts, some of the factories where two shifts were being worked were also found to have a night shift. None of the motor vehicle factories in West Bengal were working during the night. The interval after which a change-over of workers in the night shift was made, varied from a week to a month. In about 35 per cent. of the factories working night shifts, it was a week. About 26 per cent. of the factories had a system of fortnightly change-over and in the remaining 39 per cent. of the night-shift-working units, the change-over was effected after a month.

4.2. Hours of Work—

Since the passing of the Factories Act, 1948, the hours of work for adult workers have been fixed at a maximum of 48 per week and 9 per day. The Chief Inspectors of Factories have been empowered to grant exemption from the above limit of daily hours of work in order to facilitate the change-over in any factory. The data collected during the present Survey show that about three-fourths of the motor vehicle factories in the country had an 8-hour day and a 48-hour week. Of the remaining, in about 18 per cent., the working hours were less than 8. Generally, in such units, they were 7 or $7\frac{1}{2}$ per day. However, in Residual Group a large unit was found working only for $5\frac{3}{4}$ hours a day and a small one for 6 hours a day. In another nearly 6 per cent. of the factories, the daily hours of work were more than 8, being generally $8\frac{1}{2}$. In all such cases, however, Saturday was a half day for the workers. As already stated, in a small unit in Madras there were no fixed working hours. Workers worked as and when they got work. This unit accounted for the remaining factories. Details about different strata are presented in Statement 4.2.

STATEMENT 4.2

Daily Hours of Work in Motor Vehicle Factories (1961-62)

Centre	Total Number of Factories	Estimated Percentage of Factories Where						
		Hours of Work for Majority of Adult Workers were				Night Shift Hours were		
		Less than 8	Equal to 8	More than 8	Not fixed	Less than or equal to 6	More than 6 and up to 7	More than 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Madras ..	275	3.8	89.6	3.9	2.7	20.0	60.0	20.0
2. Maharashtra ..	158	87.2	10.7	2.1	—	68.3	—	31.7
3. West Bengal ..	91	13.0	78.2	8.8	—	—	—	—
4. Residual ..	653	8.7	84.1	7.2	—	73.3	6.7	20.0
5. ALL-INDIA ..	1,177	18.4	75.1	5.9	0.6	60.8	17.6	21.6

As mentioned elsewhere in this Report, only an insignificant proportion of the factories in the country employed a few workers through contractors. Such workers were reported to be working, generally, for the same average daily and weekly hours of work as direct labour, in the concerned units. In the factories where children were employed it was found that they were required to work for the same number of hours as adults in contravention of the provisions of the law.

In the case of night shift, workers in about 61 per cent. of the factories were found to be working for 6 or less than 6 hours (Statement 4.2). In nearly 18 per cent. of the units, the duration of night shift was between 6 and 7 hours and in roughly 21 per cent., it was more than 7 hours.

As regards the practice prevailing at the time of the Survey in respect of spread-over and rest-intervals in the motor vehicle factories, the data collected appear in Statement 4.3.

STATEMENT 4.3

Estimated Percentage Distribution of Motor Vehicle Factories According to Duration of Spread-over and Rest Intervals, etc. (1961-62)

Centre	Total Number of Factories	Percentage of Factories Where Average Spread-Over Was					Percentage of Factories Where Average Rest Interval Was									
		Day Shift			Night Shift		Day Shift					Night Shift				
		Less than 8 hours	8 to 9 hours	More than 9 hours	Not fixed	Equal to 8 hours	Less than ½ hour	½ to 1 hour	More than 1 hour	Not fixed	Less than ½ hour	½ to 1 hour	More than 1 hour	Not fixed	Less than ½ hour	½ to 1 hour
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1. Madras	275	1.3	42.6	53.4	2.7	20.0	40.0	40.0	1.3	42.6	53.4	2.7	—	60.0	40.0	—
2. Maharashtra	158	—	84.0	16.0	—	31.7	68.3	—	—	70.2	29.8	—	—	100.0	—	—
3. West Bengal	91	—	91.2	8.8	—	—	—	—	4.2	95.8	—	—	—	—	—	—
4. Residual	653	1.0	69.7	29.3	—	20.0	60.0	20.0	0.5	69.7	29.3	0.5	—	73.3	20.0	6.7
5. ALL-INDIA	1,177	0.9	67.0	31.5	0.6	21.6	56.7	21.7	0.6	65.5	32.7	1.2	—	74.0	21.7	4.3

It is apparent from the Statement (4.3) that in a majority of motor vehicle factories in the country, (i.e., 67%) the spread-over was more than 8 and up to 9 hours during the day shift and exceeded 9 hours in about 31 per cent. of the units. The duration of rest interval was half an hour to one hour in about 65 per cent. of the factories and more than one hour in nearly 33 per cent. A small factory in Madras did not have a fixed rest interval and, therefore, the spread-over was also not fixed. In another factory (a large establishment in Madras), no rest interval was being given to the workers.

4.3. *Dust and Fumes—*

The Survey results have revealed that dusty processes were involved in hardly about 4 per cent. of the factories*. It was noticed that general exhaust system existed in about 16 per cent. of the factories having such processes, and local exhaust ventilation in nearly 49 per cent. of them. Dusty processes were found to have been isolated in about 41 per cent.** of the factories having them. In most of the units some protective equipment for preventing inhalation of dust had been provided to the workers engaged on dusty processes. As regards fumes, only about 23 per cent. of the motor vehicle factories were reportedly having processes such as gas welding and spray painting, which gave off fumes. However, it was observed that the above processes had generally been isolated and general and/or local exhaust ventilation provided. Gas-masks were also being supplied in about 55 per cent. of the factories.

The house keeping was either good or satisfactory in about 85 per cent. of the units where dusty or fume-giving processes were carried on. In the remaining, it was not so.

4.4. *Seating Arrangements—*

Most of the operations involved in the manufacture and repair of motor vehicles are such that they cannot be performed efficiently in a sitting posture. Therefore, in an overwhelming majority of the units surveyed, the workers were obliged to work in a standing position. Seating arrangements were, however, found to have been provided in nearly 18 per cent. of all factories in the Industry. The reason given, by almost all managements, for non-provision of seats was that not only workers had to move from vehicle to vehicle, but even while working on one vehicle they had to constantly change positions—sometimes standing, sometimes lying below the vehicle and sometimes squatting or kneeling inside or outside it. Thus, the very nature of work in the Industry was such that it could best be performed in a position other than sitting. Seats had, however, been provided to such workers as could conveniently do their job while sitting. These were, welders, turners and the like, in the machine shop.

4.5. *Conservancy—*

The Factories Act, 1948, has made it obligatory for every factory to maintain adequate number of latrines and urinals for the use of workers, laying down specifically the standard of such arrangements. The present Survey has revealed that in most of the motor vehicle factories (about 90%), latrines had been provided, there being a few exceptions in Madras, West Bengal and the Residual Centres. About 41 per cent. of them had water-borne sewer type latrines, about 26 per cent. water-borne septic tanks, nearly 12 per cent. dry type bore holes and about 18 per cent. had dry type pans. The remaining had some other arrangements, like dry type without pans.

* These were manufacturing concerns having Foundry Sections.

** These percentages are overlapping as in some of the factories more than one arrangement existed.

Permanent latrines had been constructed by the managements of about 91 per cent. of the motor vehicle factories having latrines. In the rest they were of temporary construction. Proper screening arrangements existed in most of the units (about 88%) having latrines. As required under the Act, water taps were also provided in or near the latrines in as many as about 81 per cent. of the units having them. The floors of latrines were impervious in roughly 96 per cent. of the units, and the latrine walls had been plastered in about 87 per cent.

A few factories in Madras and the Residual Group were employing women but no separate latrines had been provided for them.

The Survey results also show that urinals for the use of workers were existing in only about 52 per cent. of the units, and almost everywhere they were properly screened. The defaulting factories were located mostly in Maharashtra and Madras strata. In about 82 per cent. of the factories providing urinals, they were of a permanent type having plastered walls, and in nearly 93 per cent. the urinals had impervious floors. Though a few factories in Madras and the Residual Group were employing women, separate arrangements had not been made for them.

4.6. *Leave and Holidays—*

Section 79 of the Factories Act, 1948, provides that every worker, who has completed a period of 240 days' continuous service in a factory should be allowed, during the subsequent period of twelve months, leave with wages for a number of days calculated at the prescribed rate. Apart from the annual leave, all other types of leave have come into vogue as a result of voluntary decisions of managements, agreements between employers and employees, or under some adjudication awards. Statement 4.4 based on the data collected during the Survey, shows the prevailing practice in regard to granting of leave and holidays in motor vehicle factories in the country.

STATEMENT 4.4

Estimated Percentage of Motor Vehicle Factories Granting Various Types of Leave (1961-62)

Centre	Total Number of Factories	Percentage of Factories Granting			
		Earned Leave	Casual Leave	Sick Leave	National and Festival Holidays
(1)	(2)	(3)	(4)	(5)	(6)
1. Madras ..	275	82.6	31.8	47.7	90.6
2. Maharashtra ..	158	95.4	77.0	61.0	81.6
3. West Bengal ..	91	91.2	30.1	47.7	100.0
4. Residual ..	653	96.9	42.5	39.0	93.8
5. ALL-INDIA ..	1,177	92.9	43.7	44.6	91.9

4.6.1. *Earned Leave*—

The system of granting earned leave to worker was in existence in about 93 per cent. of the motor vehicle factories in the country. For all workers covered under the Factories Act, the conditions of eligibility were the same as laid down under the Act. It was, however, observed that in three of the large factories surveyed in Madras stratum, the employers preferred to make cash payment to the workers *in lieu* of the leave earned by them, during the year, and the workers also did not seem to be keen to avail of their leave.

Data were also collected in respect of the number of workers who were granted earned leave during the calendar year 1960 and the extent of leave actually enjoyed by them. They are presented in Statement 4.5.

STATEMENT 4.5

Estimated Number of Motor Vehicle Workers Granted Earned Leave with Pay (During 1960)

Centre	Average Daily Employment in 1960	Number of workers who enjoyed leave	Percentage of workers who enjoyed leave to the total employed	Percentage Distribution of Workers who Enjoyed Leave						
				Up to 5 days	Over 5 and up to 10 days	Over 10 and up to 15 days	Over 15 and up to 20 days	Over 20 and up to 25 days	Over 25 and up to 30 days	Over 30 days
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Madras ..	15,751	12,071	76.6	4.0	10.5	17.3	28.8	23.2	4.0	12.2
2. Maharashtra ..	16,011	11,607	72.5	6.8	8.3	29.9	8.7	9.4	10.2	26.7
3. West Bengal ..	13,921	11,572	83.1	15.0	16.4	35.1	12.0	7.5	6.7	7.3
4. Residual ..	31,087	20,858	67.1	10.2	15.1	21.9	13.7	9.9	9.8	19.4
5. ALL-INDIA ..	76,770	56,108	73.1	9.1	13.0	25.3	15.6	12.1	8.0	16.9

The proportion of workers who enjoyed earned leave in the Industry during 1960 varied from about 67 per cent. in the Residual Group to nearly 83 per cent. in West Bengal. The overall average in the country was about 73 per cent. Generally it was found that in small factories the percentage of workers who availed of earned leave was lower as compared to that in the large ones.

Of those having availed themselves of such leave, during 1960, about one-fourth took it for a period of over 10 and up to 15 days. Those taking leave up to 10 days formed about 22 per cent. of the total. Roughly 16 per cent. of the employees remained on leave for a duration of between 15 and 20 days, about 12 per cent. between 20 and 25 days and only 8 per cent. between 25 to 30 days. The fact that as many as about 17 per cent. of the workers enjoyed earned leave for over a month deserves special mention.

4·6·2. *Casual Leave*—

Data in respect of casual leave show that only about 44 per cent. of the motor vehicle factories in the country were allowing leave to their employees (Statement 4·4). While in Maharashtra more than three-fourths of the units were giving casual leave, in the other three Centres the percentage of such units varied between 30 and 42. Broadly speaking, nearly three-fourths of the large factories in the Industry were giving this facility as compared to only about one-third of the small ones.

Of the factories granting casual leave, in about 66 per cent. all employees could avail of this facility, whereas in the remaining 34 per cent. it was restricted to only some categories. For example in about 8 per cent. of the factories granting casual leave in Madras, all of them large sized, only clerical and supervisory staff were entitled to casual leave. In the other three Centres, the categories of workers being given casual leave differed from unit to unit but it was observed that permanent employees and clerical, managerial and supervisory staff were nowhere denied this facility. In a majority of cases, the qualifying condition prescribed was completion of one year's service.

In approximately 30 per cent. of the units granting casual leave, it was allowed only up to 10 days. Leave over 10 and up to 15 days was permissible in about 48 per cent. of the units. Of the remaining 22 per cent., in 10 per cent. casual leave was being given from 16 days up to 24 days, and in 12 per cent. the period was not fixed and was at the discretion of the management. Employees who were entitled to more than 10 days' casual leave were generally clerical and supervisory staff and monthly-rated workers.

Full consolidated wages or basic pay and allowances, as the case might be, were payable in about 85 per cent. of the units granting casual leave. In the rest, the rate of payment was not fixed and was at the discretion of the management. Most of these units were the same in which the period of casual leave was also not fixed and depended on the management's discretion.

4·6·3. *Sick Leave*—

On the basis of the results of the present Survey, it has been estimated that only about 45 per cent. of all motor vehicle units in the country were granting sick leave to their employees. This benefit was being given by employers in addition to the facilities available under the Employees' State Insurance Scheme, wherever in force. The percentage of factories granting sick leave was the highest for Maharashtra (Statement 4·4). In all the Centres, a higher proportion of large factories was giving this facility as compared to the small ones.

In nearly one-third of the units giving sick leave, the period was restricted to 10 days in a year. It was over 10 and up to 15 days in about 18 per cent. of the factories and over 15 days in nearly 19 per cent. In the remaining 30 per cent. of the units allowing sick leave to their employees, the duration of such leave was not fixed and depended on the management's discretion.

In a majority of the units granting sick leave (about 71%), normal basic wages plus dearness allowance, or consolidated wages, as the case might be, were permissible during the period of sick leave. However, in about 10 per cent. of the units, payment during sick leave was made only at half the normal rates of wages. In the rest of the factories (about 19%) the rate of such payment was not fixed and depended on the twin factors of duration of leave and the discretion of management. The most common condition attached to the grant of sick leave was the production of a medical certificate. In a number of factories surveyed, the condition of one year's service or 240 days' work was also insisted upon, whereas in some others, no hard and fast rules had been laid down in this regard.

4.6.4. *National and Festival Holidays—*

The practice of granting national and/or festival holidays with pay had become almost universal in motor vehicle factories in the country in as much as nearly 92 per cent. of them (Statement 4.4) were found to be allowing such a benefit. In about 83 per cent. of the units giving these holidays, the benefit was enjoyed by all workers. In the rest of the cases, however, it was restricted to monthly-rated employees, permanent workers or all except apprentices and casual workers, etc.

In about 66 per cent. of the factories granting national and/or festival holidays the number of holidays was up to 10 in a year. It was between 11 and 15 days in nearly 18 per cent. of the factories and over 16 days in roughly 14 per cent. In the rest, the number of such holidays had not been fixed.

About 98 per cent. of the factories granting national and festival holidays were making payments for these holidays at full rates, while in the rest, only basic wages were allowed. Generally, attendance on preceding and succeeding days was insisted upon for claiming pay for holiday. However, in a number of units, no conditions were imposed.

4.7. *Weekly-offs—*

With the solitary exception of a small factory in the Residual Group, all motor vehicle factories in the country were complying with the provisions of the Factories Act regarding the grant of a weekly day of rest to workers. A note-worthy feature in the Industry was, that despite the absence of any legal binding, about 95 per cent. of the factories were allowing weekly-offs with pay. In about 73 per cent. of the units giving a weekly day of rest, all workers were allowed this facility, whereas in nearly 17 per cent. only monthly-rated staff enjoyed this privilege. In the rest (about 10%), certain categories of workers like watch and ward staff, casual labour and non-permanent workmen were deprived of the benefit of a weekly-off.

CHAPTER V

WELFARE AND AMENITIES

Besides facilities provided in compliance with the law, there are many items of welfare which some of the employers have voluntarily undertaken for the benefit of their employees. Apart from humanitarian considerations, the importance of the provision of welfare amenities has been increasingly recognised from the point of view of preservation of the efficiency of the workers which, in turn, contributes to higher productivity. An attempt was made during the present Survey, to assess the extent to which motor vehicle factories in India had actually provided welfare facilities to their workers. The information collected in respect of various welfare activities (both obligatory and non-obligatory) is presented in the following paragraphs:

5.1. *Facilities for Drinking Water—*

Suitable arrangements for adequate supply of wholesome drinking water were found to be existing in all motor vehicle factories in Maharashtra and West Bengal, about 99 per cent. of the units in Madras and nearly 95 per cent. in the Residual Group. The all-India percentage of such factories was estimated at about 97.

Drinking water facilities were generally in the form of either earthen pitchers or water taps connected with municipal mains. Earthen pitchers were kept mostly in small factories. In some of the units providing earthen pitchers, tap water was also found to have been made available.

Evidently on hygienic grounds, the Factories Act prohibits the location of any drinking water point within 20 feet of latrines and urinals. In the course of the Survey, however, it was noticed that about 6 per cent. of the units in the country (located in Maharashtra, West Bengal and the Residual Centres), most of them small sized, had overlooked this aspect.

The Factories Act also provides that every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method, during a certain specified part of the year. It was found that only a small percentage of the motor vehicle factories in the country (about 2 per cent.) all of them being large establishments and belonging to Maharashtra and Madras strata, were obliged to provide cool drinking water to their employees, and all had fulfilled this obligation. The Survey has also revealed that in actual practice, about 86 per cent. of all units in the Industry were making special arrangements for cool drinking water during summer. In most of the large factories making such arrangements, the water supplied was refrigerated, whereas in small units, earthen pitchers were usually being used for the purpose

5.2. *Washing Facilities—*

Section 42 of the Factories Act lays down that adequate and suitable facilities for washing should be provided and maintained for the use of workers in every factory. It was observed during the Survey that about 89 per cent. of the motor vehicle factories in the country had provided washing facilities. Maharashtra was leading in this matter inasmuch as nearly 95 per cent. of the units in this Centre were found to have made such arrangements. It was followed by Madras, Residual and West Bengal Centres where the percentages of factories having made similar arrangements were about 92, 87 and 82, respectively.

Taps on stand pipes was the predominant arrangement for this purpose as it was found in nearly 65 per cent. of the units providing washing facilities. Other arrangements were in the shape of water stored in receptacles, wash basins with taps, etc. In a few units, hand pumps and well water had been provided for washing purposes.

Although nearly 3 per cent. of the motor vehicle factories were employing women, separate washing facilities for them had not been provided in any one of those units.

Nearly 90 per cent. of the factories providing washing facilities were supplying to workers some cleansing material also like soap, soda, etc.

5.3. *Bathing Facilities—*

The Factories Act does not contain any specific provision relating to bathing facilities but it authorises State Governments to make rules requiring certain types of factories to provide such facilities for certain categories of employees. Though the provision of such a facility was not obligatory for the Motor Vehicle Industry, yet it was found during the Survey, that nearly 23 per cent. of the factories in the country had provided bathing facilities for workers. Arrangements for taking bath existed in about 45 per cent. of the factories in Maharashtra, 26 per cent. in the Residual Group, 9 per cent. in Madras and only 4 per cent. in West Bengal. Since the employment of women in the Industry was negligible, bath rooms, wherever provided were for men only and were generally kept neat and clean.

5.4. *Canteens—*

Section 46 of the Factories Act, relating to canteens, empowers the State Governments to make rules requiring that in any specified factory wherein more than 250 workers are ordinarily employed, a canteen or canteens according to the prescribed standards should be provided for the use of the workers.

The Survey results show that only about 4 per cent. of the motor vehicle factories in the country, all of them being large-sized, were under a statutory obligation to provide canteens and about three-fourths of them had fulfilled this obligation. The compliance with law was cent. per cent. in Madras and West Bengal but only 50 per cent. each in Maharashtra and Residual Group. Observance or violation of law apart, actually about 14 per cent. of the factories at the all-India level were running canteens. As for the different strata, the percentage of factories having canteens was about 31 in Maharashtra, 21 in West Bengal, 11 in the Residual Group and only 9 in Madras.

Data collected further show that approximately 57 per cent. of the canteens served simply tea, coffee and snacks and the rest (about 43%), had made arrangements for the sale of meals as well. All the factories running canteens were found to have made adequate drinking water arrangements in the canteens.

Contract system for running the canteen seemed to be widely prevalent in the Industry since as many as about 66 per cent. of the canteens were in the hands of contractors. Managements were running about 22 per cent. of the canteens and workers and managements jointly, nearly 8 per cent. of them. The remaining 4 per cent. or so of the canteens were being run on a co-operative basis.

Although Canteen Managing Committees were found to be functioning in about 26 per cent. of the motor vehicle factories having canteens, these Committees had been made responsible for fixing prices of articles sold in only about 21 per cent. of the canteens. In nearly 24 per cent. of the cases, managements were fixing the prices and in the remaining 55 per cent., contractors had been entrusted with the task. Price lists of the various articles sold could, however, be seen in only about 21 per cent. of the canteens. It was observed that the prices charged were at the market rate in about 62 per cent. of the canteens, at subsidised rates in roughly 19 per cent. and on no-profit-no-loss basis in about 17 per cent. In the rest, they were lower than the market rates.

Of the total estimated number of workers employed in the motor vehicle factories having canteens nearly 66 per cent. were estimated to be visiting canteens daily.

It was also observed during the Survey that in about 91 per cent. of the units having canteens the location of canteens was good or satisfactory in as much as their surroundings were clean and they were some distance away from work places. In the rest they were found to be located in very uncongenial surroundings. As regards hygienic conditions of the canteens, they were either good or satisfactory in about 87 per cent. of the units having canteens, whereas in the remaining 13 per cent., the canteens presented a dirty look with improperly white-washed kitchens and exposed eatables.

5.5. *Creches*—

With the passing of the Factories Act in 1948, it became obligatory for all factories employing more than 50 women workers to maintain a creche of prescribed standard. The question of providing creche facility did not, however, arise in the Motor Vehicle Industry since it employed an insignificant number of women workers and none of the units surveyed was found to be employing more than 50 women.

5.6. *Lockers*—

Motor vehicle factories in the country are not under any statutory obligation to provide lockers. The Survey has, however, revealed that this facility had been made available to workers by managements of nearly 11 per cent. of the factories in the Industry. Most of these units were in Maharashtra and the Residual Group.

5.7. *Rest Shelters*—

The Factories Act, 1948, lays down that in every factory wherein more than 150 workers are ordinarily employed, adequate and suitable shelters or rest rooms should be provided and maintained for the use of workers. In the Motor Vehicle Industry, hardly 3 per cent. of the factories were obliged to provide rest shelters. Of those factories, nearly one-third had done so. In some of the factories which had not complied with the provision of the law in this matter, rest shelters were found to be under construction at the time of the Survey. In a few more, the managements maintained that other places such as *verandahs* or shades of trees in the compound were being used by workers for taking rest and hence they had not provided rest shelters. The rest had either failed to assign reason for non-provision of rest shelters or stated that neither the workers nor the Factory Inspectorate pressed them for making any such arrangements and hence they had not done so. Besides those which were legally required to construct rest shelters, a number of factories had done so voluntarily. Thus, in the Industry as a whole, it is estimated that the percentage of factories having rest shelters was nearly 16.

In nearly 64 per cent. of the factories having rest shelters, the same were in conformity with prescribed standards inasmuch as they were sufficiently lighted, ventilated and maintained in a tidy condition. They also provided adequate protection against bad weather. In the rest (i.e. nearly 36 %), one or the other deficiency such as improper protection from weather, lack of drinking water facilities, etc., was noticed.

5.8. *Recreation Facilities*—

Quite a number of managements of motor vehicle factories in the country seem to have realised the importance of recreation facilities for their employees as is evident from the fact that such facilities were available in all the units in West Bengal, about 68 per cent. of the factories in Madras, nearly 38 per cent. in Maharashtra and about 37 per cent. in the Residual Group. The all-India percentage of factories providing recreation facilities is estimated at 49. Nearly one-third of these were found to have made arrangements for indoor and/or outdoor games, while two-thirds were only arranging programmes for workers' entertainment on festive occasions. Some of the factories (about 22%) providing facilities for indoor and outdoor games were, in addition, putting up some cultural shows also. Indoor games most popular amongst the workers were carrom, cards and chess while outdoor games generally played were football and volleyball. Cultural programmes included film shows, dramas, and other social functions.

Of the factories providing recreation facilities, the expenses were being met entirely by managements in about 75 per cent., jointly by workers and managements in about 12 per cent., from welfare funds in nearly 9 per cent., and in the rest by workers alone.

5.9. Educational Facilities—

Arrangements for the education of workers' children were existing in the Industry on a meagre scale and only an insignificant proportion* of factories in the country had provided schools. This is understandable in view of the fact that most of the units in the Industry were small workshops. Nearly half of the units providing educational facilities were running high or higher secondary schools, about 38 per cent. primary or kindergarten schools and the remaining 12 per cent., middle schools. No college was being run anywhere. It is estimated that nearly 13.8 thousand† children were receiving education in these schools in June, 1961.

It was noticed that only about 12 per cent. of the factories providing educational facilities were not charging any fees from the students. Roughly 38 per cent. of the units were supplying some articles of stationery like slates, pencils, etc., free to the students. In one large factory in Maharashtra, books were being given to the children free of cost. One of the large factories surveyed in West Bengal was supplying free uniforms, shoes and milk to the children. In 25 per cent. of the factories, educational facilities were being provided in the shape of regular subsidies to other schools. Barring a solitary exception of a small factory in the Residual Group, schools were being run only by large units in the country.

Of all the units visited during the course of the Survey, adult education centres were found to be functioning in only 2 large units in the Residual Group. The number of such centres was four and all of them were located inside the factory premises. On June 30, 1961 there were, in all, 683 workers on the rolls of the two factories running adult education centres. Out of them, only 123 (or about 18 %) were found to have received education at the centres, during the year 1960. It may be mentioned that like schools, adult education centres were also being run only by large units in the Industry.

5.10. Medical Facilities—

5.10.1. Hospitals and Dispensaries—

It is estimated that only about 8 per cent. of the motor vehicle factories in the country, most of them being large establishments, had dispensaries/hospitals attached to them. They comprised about 13 per cent. each of the units in Maharashtra and West Bengal, 7 per cent. in the Residual Group and nearly 6 per cent. in Madras. Full-time doctors had been appointed in one-fourth of the factories having dispensaries/hospitals, part-time in about 54 per cent. of them, whereas the remaining units (nearly 21 %), were found to have full-time as well as part-time doctors. It was observed that most of the part-time doctors were on duty for only between 6 to 12 hours a week. Other staff appointed in these hospitals/dispensaries generally included compounders, dressers, midwives, nursing orderlies, etc.

* About 2 per cent.

† The number does not necessarily relate to workers' children alone.

However, in addition to the above mentioned units, about 4 per cent. of the factories, at the all-India level, were found to be having contracts with some other hospitals/dispensaries for the treatment of their employees. The percentage of units having similar contracts with individual doctors was 12, and of those having made some *ad hoc* arrangements for the purpose, was roughly 3. Thus, the arrangements for medical attention existed in nearly 27 per cent. of the motor vehicle factories in the country.

Generally, the doctors visited workers' houses and took care of their health and the sanitary conditions within the factory areas. Certifying medical fitness of workers at the time of recruitment, periodical medical check-up, etc., were some of the other duties of these doctors.

5.10.2. Ambulance Rooms—

Under the Factories Act, every factory employing more than 500 workers is required to provide and maintain an ambulance room. The rules framed by the State Governments prescribe the requirements of such rooms. The Survey results show, that of all the units surveyed, only 10 large factories of which 4 were located in Madras, 3 in the Residual Group, 2 in West Bengal and 1 in Maharashtra, were under a statutory obligation to provide ambulance rooms. Of these, only two factories in the Residual Group had done so. It was, however, noticed that ambulance rooms existed in two more of the large factories in the Residual Group, although these units were not legally bound to provide them. Of the above-mentioned four units, in one the ambulance room was combined with dispensary and was thus under the charge of a full-time doctor. In another, a part-time doctor, who was available for 9 hours in a week, was found to be in-charge of the ambulance room. The remaining two units had their ambulance rooms under the charge of some other staff like compounders, nurses, etc.

5.10.3. First-aid Boxes—

The Factories Act lays down that every factory shall maintain first-aid boxes, at the rate of one for every 150 workers ordinarily employed. Standards have also been prescribed regarding the items to be provided in the first-aid boxes. The law further requires that such boxes should be easily accessible to workers during all the working hours.

The Survey has shown that about 87 per cent. of all factories in the country, consisting of nearly 95 per cent. of the units in Maharashtra, 91 per cent. in West Bengal, 89 per cent. in Madras and 84 per cent. in the Residual Group, were maintaining first-aid boxes. Though it is mandatory that each box should be kept under the charge of a trained first-aiders, it was found that in more than half of the factories having first-aid boxes (about 51 per cent.), there were no trained first-aiders at all. The percentage of defaulting establishments in this respect was the highest in West Bengal (about 77) followed by that in the Residual Group (about 58).

In nearly 59 per cent. of the factories maintaining first-aid boxes, the contents were found to be incomplete. They were, however, easily accessible to workers during working hours in as many as about 71 per cent. of the factories. Most of the trained first-aiders appointed in motor vehicle factories were found to have received training under the St. John Ambulance.

5.11. *Transport Facilities*—

The workers in the Motor Vehicle Industry were usually not given any transport facility by the managements. Only three of the large factories surveyed in Madras, ten in the Residual Group, and one small size unit in Maharashtra, were reported to be providing free transport facilities to some of their employees. This facility was altogether absent in factories in West Bengal. Some of the units surveyed in West Bengal, Maharashtra and Residual Group were giving transport allowance to certain employees *in lieu* of non-provision of transport facilities. In one small factory in the Residual Group, it was found that travelling passes on a concessional rate of two-third of the normal rate were being issued to the employees for coming to and going back from the factory.

5.12. *Other Amenities*—

Of all the factories surveyed, only two large establishments, one in Madras and the other in the Residual Group, were found running grain shops for the benefit of their employees. Both these factories were selling foodgrains on a no-profit-no-loss basis. Nearly 9 per cent. of all motor vehicle factories surveyed were having credit societies which provided easy loans to the employees in times of need. Co-operative stores for supplying house-hold articles and provisions at cheap rates were found existing in four of the large factories surveyed in Madras and one in Maharashtra. Two large factories in Madras were having co-operative housing societies also. The managements of these two factories were, however, not giving any financial aid to the housing societies. A co-operative bank was found working in a large unit in Madras, while co-operative consumer societies were operating in one large factory each in Maharashtra and the Residual Group.

5.13. *Housing Facilities*—

The present Survey has shown that only about 19 per cent. of motor vehicle factories in the country had provided housing accommodation to their employees. Centre-wise details are given in Statement 5.1. The factories in West Bengal were far ahead of others in this respect since as many as about 69 per cent. of them had housed their employees. The position was least satisfactory in Madras where, of all the factories surveyed, only one large unit was providing houses to the workers. This was, perhaps, because most of the factories in Madras were small. In Maharashtra, and the Residual Group, the percentage of factories providing houses to their employees was roughly 18 and 19, respectively. Generally the proportion of factories providing housing accommodation was higher in the case of large establishments than smaller ones.

Usually, the provision of one-room tenements seemed to be the rule inasmuch as about 56 per cent. of the houses provided by the managements belonged to this category. It is, however, noteworthy that the percentage of two-roomed houses was also not insignificant, being about 34. The rest of the houses (i.e., about 10 %) were having three or more rooms. Most of the houses provided were *pucca* built.

STATEMENT 5.1

Estimated Percentage of Motor Vehicle Factories Providing Houses, Extent of Accommodation and Rent Charged
(1961-62)

Centre	Number of Factories	Percentage of Factories Providing Houses	Percentage of Houses Consisting of			Percentage of Factories Which		
			One Room	Two Rooms	Three Rooms or more	Charged no rent at all	Charged rent from all	Charged rent from some employees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Madras ..	275	1.3	84.6	15.4	—	—	100.0	—
2. Maharashtra ..	158	17.8	44.4	53.4	2.2	—	88.0	12.0
3. West Bengal ..	91	69.5	67.6	21.8	10.6	94.0	6.0	—
4. Residual ..	653	19.0	44.1	42.1	13.8	56.8	37.8	5.4
5. ALL-INDIA ..	1,177	18.6	56.3	33.6	10.1	59.4	36.0	4.6

Information collected shows, that in most of the units providing houses, one-room accommodation was made available to the 'Production Workers' and the 'Watch and Ward' staff. The housing accommodation provided to the supervisory, clerical and/or the administrative staff was generally of two rooms and above.

It has been estimated on the basis of the results of the Survey, that out of 90,273 workers employed in the Motor Vehicle Industry in June, 1961, only about 7 per cent. had been provided houses by the employers. As amongst the different strata, the percentage of such workers varied from 18.2 in West Bengal to only 0.8 in Madras, as can be seen from Statement 5.2.

STATEMENT 5.2

Estimated Percentage of Workers Allotted Houses in the Motor Vehicle Industry

Centre	Total Number of Workers Employed*	Percentage of Workers allotted houses
(1)	(2)	(3)
1. Madras ..	17,374	0.8
2. Maharashtra ..	20,009	11.2
3. West Bengal ..	17,257	18.2
4. Residual ..	35,633	3.3
5. ALL-INDIA ..	90,273	7.4

*Covered under the Factories Act, 1948.

Nearly 59 per cent. of the factories providing houses were not charging any rent from their employees while in the remaining 41 per cent. of units rent was being charged. However, of the latter (i.e. 41%), rent was being charged from all the allottees in about 36 per cent. and from some of the allottees in the rest (about 64%).

None of the units surveyed were providing any facility to their employees for building their own houses.

CHAPTER VI

SOCIAL SECURITY

Prior to the attainment of Independence, factory workers in the country enjoyed social security only to a limited extent which was mainly in the shape of compensation for industrial accidents under the Workmen's Compensation Act, passed by the Central Government, and Maternity benefits under State Acts. However, after Independence there has been a considerable enlargement of the scope and content of social security benefits largely as a result of adoption of such statutory measures as the Employees' State Insurance Act and the Employees' Provident Funds Act and to a certain extent as a result of adjudication awards. The following paragraphs briefly describe the social security benefits being enjoyed by workers in motor vehicle factories in the country at the time of the present Survey.

6.1. *Provident Fund Schemes*—

The Survey results show that provident fund schemes were in existence in about 63 per cent. of motor vehicle factories in the country. Of the above, in nearly 61 per cent. factories, the provident funds had been set up under the Employees' Provident Fund Scheme framed by the Government of India in 1952 and consequently, the rate of contribution, conditions of eligibility, etc. were the same as laid down in the Scheme. Roughly 8 per cent. were having, in addition to the Employees' Provident Fund Scheme, some other provident fund schemes as well, whereas the percentage of factories having only other schemes was as high as about 31.

As regards different strata, it is noteworthy that in West Bengal about 77 per cent. and in Maharashtra nearly 56 per cent. of motor vehicle factories were having their own provident fund schemes and had, therefore, been granted exemption from the operation of the Employees' Provident Fund Scheme. In the Residual Group also, the percentage of such units was substantial (about 29). In most of the units having their own provident fund schemes the rate of contribution was $8\frac{1}{2}$ per cent.

An estimated number of 56.6 thousand workers in the Motor Vehicle Industry, i.e., about 63 per cent. of the total, were members of provident fund schemes as on June 30, 1961. Details of different strata appear in Statement 6.1.

6.2. *Pension Schemes*—

Pension schemes were not common in motor vehicle factories since only about 5 per cent. of the units surveyed had such schemes for their employees. The schemes, wherever they existed, were regular and applied to all workers in about 39 per cent. of the units paying pension. However, in the remaining 61 per cent. of the factories having such schemes, pensionary benefits were available only to certain specified categories of employees, like those drawing basic salary of Rs. 200 or more, permanent employees, non-production workers, senior foremen, etc. A noteworthy feature was that in nearly 29 per cent.

of the factories paying pension, the schemes were in addition to provident fund benefits. All such factories were large sized and were in Maharashtra and the Residual Group. The qualifying conditions and rates of payment, which were at the discretion of the managements, varied from unit to unit. In the Residual Group, some of the units were public sector undertakings and in all of them, the pension was being paid in accordance with the Central Government Pension Scheme, whereas, in similar units in Maharashtra, payments were being made under the Bombay Civil Services Pension Rules. In other factories, it was observed that, generally, the condition for eligibility was a minimum of 10 years' service and the rate of payment was 3/8th of the average basic pay.

STATEMENT 6·1

Estimated Proportion of Motor Vehicle Factories having Provident Fund Schemes, Membership, etc.
(June, 1961)

Centre	Total Number of Factories	Percentage of Factories having Provident Fund Schemes	Percentage of Factories having			Total Number of Workers† employed as on 30-6-1961	Percentage of Workers who were members of Provident Fund Schemes as on 30-6-1961 (of Col. 7)
			Empl-oyees' Provident Fund Scheme (of Col. 3)	Empl-oyees' Provident Fund as well as other Schemes (of Col. 3)	Only other schemes (of Col. 3)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Madras ..	275	63·7	90·1	2·0	7·9	17,374	77·0
2. Maharashtra	158	77·0	17·9	26·3	55·8	20,009	75·0
3. West Bengal	91	56·0	—	23·1	76·9	17,257	75·4
4. Residual ..	653	61·0	68·9	2·5	28·6	35,633	42·6
5. ALL-INDIA	1,177	63·4	60·9	7·7	31·4	90,273	62·6

† Covered under the Factories Act, 1948.

6·3. *Gratuity Schemes*—

In the Motor Vehicle Industry, the system of paying gratuity was prevalent only to a limited extent, the all-India percentage of factories paying gratuity to their employees being only about 28. The proportion of large factories paying gratuity was found to be higher than that of small ones. As among the different strata, Maharashtra was on the top, inasmuch as about 63 per cent. of the units there, were having gratuity schemes. In West Bengal, the percentage of such factories was nearly 35 and in Madras and Residual Group, nearly 21 each.

Gratuity was payable to workers or their dependants in the case of death, retirement, voluntary resignation or termination of service by employers on grounds other than misconduct. In most of the units paying gratuity (about 87%), there were regular schemes and in about 91 per cent. of such factories, all workers were entitled to gratuity benefits. The rate of payment was, generally, 15 days' wages for each completed year of service. However, there were instances where the rate was only 7 days' wages for each year of service. On the other hand, cases where one month's wages were being paid

for each year's service were also not rare. The period of qualifying service was found to vary generally from 3 to 15 years but in a majority of units, it was either 5 or 10 years. In some cases it was observed that this period was only one year and in a few factories, even 25 years.

On the basis of the data collected during the present Survey it has been estimated that, in all, 395 persons in the Industry received gratuity during the year ending June, 1961.

6.4. *Maternity Benefits*—

Legislation providing for payment of cash maternity benefits for certain periods before and after confinement, granting of leave and certain other facilities, etc., to women employed in factories, exists in almost all States under the various Maternity Benefit Acts passed by the State Governments. However, where the Employees' State Insurance Scheme has been put into force, the employers are absolved of their liability under the concerned Maternity Benefit Act.

Wherever the Employees' State Insurance Scheme was in operation at the time of the Survey maternity benefits were payable under the Scheme. However, information pertaining to maternity benefit payment in respect of the motor vehicle factories not covered under the above scheme shows that no such claims had been made or paid during the period under reference (July, 1960 to June, 1961). This was, perhaps, so because the number of women employed in the Industry was negligible.

6.5. *Industrial Accidents*—

The Workmen's Compensation Act, 1923, and the Employees' State Insurance Act, 1948, provide for compensation to workers who are injured on account of accidents arising out of and in the course of employment. Provisions of the Workmen's Compensation Act were applicable, at the time of the Survey, to all motor vehicle factories excepting those covered under the Employees' State Insurance Scheme.

Information was collected during the Survey, in respect of the number and nature of accidents from all motor vehicle factories, whether covered or not under the Employees' State Insurance Scheme. On the whole, an estimated number of 6.6 thousand workers were involved in accidents in the Motor Vehicle Industry during the year ending June, 1961. Perhaps a better picture of the occurrence of accidents can be had when the number of workers involved in them is viewed *vis-a-vis* the total number employed. The rate of accidents per thousand based on the estimate of average number employed during the year ending June, 1961, as also the distribution of workers involved by nature of accidents, are given in Statement 6.2.

It will be seen from the Statement (6.2) that the rate of accidents was very high in Madras being about 220 per thousand. However, in the other three strata, it ranged roughly between 28 and 103. The all-India rate was about 87 per thousand. The number of persons involved in fatal accidents was negligible and a vast majority of workers suffered only minor accidents causing temporary disabilities, the rate of such accidents being about 85 per thousand. The number of workers who were permanently disabled in accidents was also found to be insignificant.

STATEMENT 6·2

*Estimated Distribution of Motor Vehicle Workers Involved in Accidents
by Nature of Accidents
(July, 1960 to June, 1961)*

Centre	Average Number of Workers Employed	Number of Workers Involved in Accidents per 1,000 Workers Employed Resulting in			
		Death	Permanent Disability	Temporary Disability	Total
(1)	(2)	(3)	(4)	(5)	(6)
1. Madras	15,751	—	—	219·7	219·7
2. Maharashtra ..	16,011	—	—	103·2	103·2
3. West Bengal ..	13,921	0·7	4·7	42·2	47·6
4. Residual	31,087	—	0·6	27·4	28·0
5. ALL-INDIA	76,770	0·1	1·1	85·4	86·6

Compensation is also payable under the Workmen's Compensation Act in the case of certain occupational diseases mentioned in a schedule to the Act. During the present Survey, only one large factory in the Madras stratum reported some cases of occupational diseases. These related to Dermatitis, Chronic Poisoning, Flashed Eyes, and Metal Fume Fever, caused respectively, by Nickel and Chromium Plating, Metal Tempering Process, Welding and Metal Cutting. However, no case of occupational disease in respect of which compensation was payable was reported during the twelve months preceding June 30, 1961.

A notable feature of the Industry was the high percentage of units (about 51) providing protective equipment to the workers against occupational hazards. Such equipment was in the form of dark glasses to welders, leather apparel to battery men, hand gloves, screens and gas masks.

CHAPTER VII

INDUSTRIAL RELATIONS

During the present Survey, attention was focussed on some important aspects of industrial relations in the Motor Vehicle Industry. The observations made appear in the following paragraphs:

7.1. *Industrial Disputes*—

Data pertaining to industrial disputes in the Motor Vehicle Industry were not collected during the present Survey since the same were available in the Labour Bureau. Such information@ in respect of the number of disputes in the Motor Vehicle Industry and consequent loss of man-days since 1959 is given in the Statement below :

STATEMENT 7.1†

Number of Disputes Resulting in Work-stoppages Workers Involved and Man-days Lost in the Motor Vehicle Industry

Year	Number of Disputes*	Number of Workers Involved	Number of Man-days Lost (in '000s)
(1)	(2)	(3)	(4)
1959 	4	717	5
1960 	8	557	1
1961 	8	5,391	12
1962 	11	3,298	10

† Source: Indian Labour Statistics, 1964.

* These include both strikes and lock-out.

The above figures show that there were more or less peaceful conditions in the Industry during 1959 and 1960. However, in 1961, a considerable number of workers seem to have been involved in disputes. The reason for the same was, that in this year, there was a major strike in a factory in Mysore which accounted for a loss of 4,000 man-days. It was in protest against the alleged violation by the management of direction given by an Industrial Court in a case decided in favour of workmen. Besides this, there was a strike in Maharashtra also in support of a demand for re-instatement of two retrenched worker : which accounted for a loss of about 2,600 man-days. Similarly, in 1962, workers of a large motor vehicle factory in Madras struck work to press their demand for grading of maintenance staff. This work-stoppage alone was responsible for the loss of about, 3,000 man-days. During this year, five work-stoppages were reported from Maharashtra on account of demands for re-instatement of workers, withdrawal of charge-sheets, increase in wages, etc.

@ For limitations, refer to p. XVIII of the 'Indian Labour Statistics', 1964.

7.2. Trade Unionism—

Trade unionism, it seems, had not developed to a significant extent in the Motor Vehicle Industry since in only about 37 per cent. of the factories surveyed, workers had organised themselves into trade unions. Data collected further show that the development was uneven, too. For example, in Maharashtra, trade unionism had progressed well as unions were existing in 61 per cent. of the units in this stratum, whereas, other strata were found to be lagging behind. However, if the number of workers who were members of trade unions is taken into consideration, then Madras comes on top as all motor vehicle workers in this stratum were members of trade unions. The percentage of unionised workers was 68 for West Bengal and about 59 for Maharashtra. In the Residual Group, only about 35 per cent. of the workers were members of trade unions. In the Industry as a whole, approximately 59 per cent. of workers† had enrolled themselves as members of one union or the other. The proportion of workers who were members of trade unions was higher in large factories than in the small ones. Details are given in Statement 7.2.

STATEMENT 7.2

Estimated Percentage of Motor Vehicle Factories where Workers were Members of Trade Unions, etc.

(June, 1961)

Centre	Number of Factories	Percentage of Factories where Workers were Members of Trade Unions	Total Number of Workers* Employed as on 30.6. 1961	Percentage of Workers who were Members of Trade Unions**	Percentage of Factories where Trade Unions were Recognised
(1)	(2)	(3)	(4)	(5)	(6)
1. Madras	275	31.3	17,374	100.0	87.4
2. Maharashtra ..	158	61.0	20,009	58.7	100.0
3. West Bengal ..	91	34.3	17,257	68.0	62.2
4. Residual	653	34.3	35,633	35.2	89.6
5. ALL-INDIA	1,177	37.2	90,273	59.1	89.5

* 'Covered' under the Factories Act, 1948.

**It was not possible to collect separate membership figures for workers 'covered' and 'not covered' under the Factories Act. The percentages in Col. 5 are therefore, of the total membership with only the 'covered' workers employed in the Industry.

Statement 7.2 reveals another interesting fact which is significant from the point of view of healthy industrial relations, viz., that unions in as many as about 90 per cent. of the factories having them enjoyed recognition by the managements. Each one of the motor vehicle factories in Maharashtra

†Including both 'covered' as well as 'not covered' under the Factories Act. Separate membership figures for these two categories of workers could not be collected.

having a trade union had recognised the same. The percentage of such factories in the Residual Group and Madras was nearly 90 and 87, while in West Bengal, it was about 62. The Survey results also show, that barring a few exceptions in Madras, there was no factory in the Industry where an unregistered union was functioning.

It was observed during the Survey that the most important activity of trade unions in the Motor Vehicle Industry was securing of claims of their members under the various Labour Acts; three out of every four unions were found to be doing this. In West Bengal, about 71 per cent. of the unions were providing relief to distressed workers and in the country as a whole, roughly one-fourth of the unions were doing this work. Provision of recreation and welfare facilities does not seem to have mattered much with trade unions in this Industry since hardly 10 per cent. of them were reported to be looking after these facilities. Almost no attention had been paid to adult education. Only a few unions in some large factories in West Bengal and Madras had made such arrangements.

7.3. *Collective Agreements—*

In the course of the Survey, information was collected in respect of collective agreements concluded in the sampled establishments since 1956. It was found that about 20 per cent. of the motor vehicle units in the country had concluded collective agreements since 1956. Such agreements had been concluded more among large factories than small ones.

The settlements were found to have been entered into in all the four strata. In Maharashtra, they were in force in about 36 per cent. of the motor vehicle factories, the respective percentages for Madras, West Bengal and the Residual Group being roughly 20, 17 and 16. In Maharashtra, one undertaking, whose several depots were covered during the Survey, was found to have concluded three agreements with its employees covering a wide range of subjects like pay scales, bonus, gratuity, dearness allowance, promotions, casual and sick leaves, paid holidays, medical facilities, overtime work, transfers, advances, provision of uniforms and raincoats, free passes to employees during authorised leave and free travel for going to and coming from the place of duty. In Madras State, the main issues covered under collective agreements were found to be bonus, pay scales, rates of increments and house rent, dearness and uniform allowances. In West Bengal and the Residual Group, the subject matter of settlements arrived at were demands pertaining to pay scales, bonus, dearness allowance, gratuity, provident fund, hours of work, retirement age, free passes, supply of uniforms, overtime wages, leave salary and festival advances and permanency of temporary workmen.

7.4. *Standing Orders—*

With the enactment of Industrial Employment (Standing Orders) Act, 1946, it has become obligatory for all factories employing 100 or more workers to frame Standing Orders for regulating such matters as classification of workers, intimation of periods and hours of work, holidays, termination of employment and redress of grievances, etc.

It is estimated that about 12 per cent. of motor vehicle factories in the country were under a statutory obligation to frame Standing Orders for their employees. Of these, nearly 59 per cent. had fulfilled their obligations under the law while in the rest, the Standing Orders had not been framed*. This was the position in so far as compliance with the law was concerned. It was, however, noticed that Standing Orders were actually in existence in nearly 27 per cent. of all factories, and, in this group of factories having Standing Orders, small units outnumbered large ones. This was despite the fact that no small factory was required by law to have Standing Orders. Statement 7·3 gives details regarding the existence of Standing Orders in motor vehicle factories.

STATEMENT 7·3

Estimated Percentage of Motor Vehicle Factories where Standing Orders were Framed, etc.

(June, 1961)

Centre		Number of Factories	Percentage of Factories under Statutory Obligation to frame Standing Orders	Percentage of Factories where Standing Orders were Framed (of Col. 3)	Percentage of Factories where Standing Orders were Certified
(1)		(2)	(3)	(4)	(5)
1. Madras	.. ..	275	11·3	88·9	94·9
2. Maharashtra	.. ..	158	15·0	85·7	100·0
3. West Bengal	.. ..	91	18·7	100·0	100·0
4. Residual	.. ..	653	10·7	28·6	92·0
5. ALL-INDIA	.. ..	1,177	11·9	59·4	95·5

In most of the units having Standing Orders (about 81%), they were found to have been framed under the Industrial Employment (Standing Orders) Act, 1946. In Maharashtra stratum, however, about one-third of the factories having Standing Orders had framed the same under the Bombay Industrial Relations Act. One of the small units in West Bengal, belonging to the Ministry of Defence, had framed its Standing Orders under the Defence Services Conduct Rules. Standing Orders were reported to have been certified in about 95 per cent. of the factories having them.

Enquiries have further revealed that in 62 per cent. of the factories, Standing Orders were applicable to all categories of workers, in about 11 per cent. only to 'Production Workers' and in roughly 19 and 7 per cent., respectively, to production and clerical staff and production and watch and ward employees. In the remaining units (about 1%) they had been framed only in respect of watch and ward and clerical workers.

*In 14 large units in the Residual Group, belonging to a State Government Roadways, Standing Orders were reported to have not been framed as the workers, in such units, were governed by the Roadways Service Rules.

7.5. *Labour and Welfare Officers—*

Labour and Welfare Officers in industrial establishments serve as a useful link between employers and employees and help in establishing healthy contacts between the two. With the enactment of the Factories Act, 1948, it has become obligatory for every factory employing more than 500 workers to appoint a Welfare Officer. Since most of the motor vehicle factories are not big, it is not surprising that only a few* were under such a legal obligation. Of these factories, however, nearly 89 per cent. had complied with the requirements of law, the only defaulting units being some establishments in Madras. The Survey has also revealed that quite a number of managements had voluntarily appointed Labour and/or Welfare Officers in their factories and actually about 16 per cent. of all units in the Industry had such Officers.

These Officers had a wide range of activities and were found to be performing all such duties as are prescribed in the Rules framed under the Act. Securing redress of workers' grievances and maintenance of harmonious relations between the management and workers was one of their most important functions. They were also advising managements in regard to matters connected with the proper implementation of various labour laws, awards and settlements. Organisation and supervision of labour welfare and recreational activities was also a part of the duties of these Officers. In a few of the units surveyed, the task of recruitment of workers was also assigned to them. In only about one-fourth of the motor vehicle factories where Labour Officers were appointed, they were reported to be appearing before the Tribunals, etc., on behalf of the managements in cases of industrial disputes.

7.6. *Works or Joint Committees—*

It was not till the enactment of the Industrial Disputes Act, 1947, that any positive step was taken by the Government of India for the setting up of Works or Joint Committees in the country. The Act lays down that all those establishments which employ 100 or more workers shall constitute Works Committees. Some of the State Laws also provide for the constitution of Joint Committees in certain types of establishments.

The results of the present Survey have shown that only about 12 per cent. of the motor vehicle units in the country were under a legal obligation to set up Works Committees and of these, about 44 per cent. had done so. Compliance with law was fairly good in Maharashtra and Madras Centres but it was not so in West Bengal and the Residual Group. It was also noticed that although only 12 per cent. of all factories were legally required to constitute Works Committees, actually such committees had been formed in about 14 per cent. of the factories, which included a few small units as well. The main reason for not setting up these committees, in units where it was obligatory, was reported to be that neither the managements nor the workers had felt any need for the same, and that the workers had never insisted on the formation of such committees.

In about 24 per cent. of the units having these committees they were, reported to have met three times during the year ending June, 1961, in nearly 41 per cent. between three and six times, in about 8 per cent., between six and nine times and in another 8 per cent. over nine times. In the remaining roughly 18 per cent. of the units, either no records of the meetings held were

*About 3 per cent.

available or no meeting was held during the year. Roughly 82 per cent. of the factories having Works or Joint Committees were found to be giving equal representation to employers and employees on these committees. Matters of mutual interest as well as of interest to either party formed the topics for discussion in the committee meetings and the decisions taken were generally implemented.

7.7. *Production and Other Committees—*

Production Committees were found to have been set up in only one large and one small factory surveyed in the Residual Group. The large factory, in addition to a Production Committee, had Sports, Welfare and Film Committees as well, and the small one, a Welfare Committee. The functions of the Production Committees were to advise on matters relating to production and to ensure better up-keep and care of machinery, tools and instruments, maximum utilisation of production hours and elimination of waste. The representation of workers and managements on these committees was equal.

Welfare Committees were also existing in two large and two small factories covered in Maharashtra, and one small unit in the Residual Group of factories. These Committees were making arrangements for recreation, medical and housing facilities for workers. There was a Sports Committee for encouraging participation in games in another of the large factories surveyed in the Residual Group.

In one of the units surveyed in the Residual Group a Safety Committee had been set up with four representatives each of employers and employees. It met periodically with the object of educating workers on how to avoid accidents.

7.8. *Grievance Procedure—*

With the coming into force of Industrial Employment (Standing Orders) Act, 1946, it became compulsory for all factories employing 100 or more workers to frame Standing Orders prescribing, *inter alia*, the procedure to be followed for the redress of workers' grievances. As mentioned elsewhere, about 12 per cent. of the motor vehicle units in the country were under a legal obligation to frame Standing Orders, and about 7 per cent. of all factories had done so, and thus, a prescribed grievance procedure had been laid down in such units. It was, however, found during the course of the Survey that, in fact, a prescribed grievance procedure was in existence in about 34 per cent. of the motor vehicle factories in the country, meaning thereby, that nearly 27 per cent. of the units in the Industry had voluntarily formulated a procedure for the redress of grievances of their employees. The progress in this regard was noteworthy in Madras and Maharashtra Centres where about 55 and 50 per cent. of the factories, respectively, had well-set procedure for the redress of grievances of their employees. The percentages of such units for Residual Group and West Bengal were about 22 and 21, respectively.

According to the prevailing practice, grievances were usually represented by the worker himself, or through his union, to the Divisional Head or Work or Depot Manager, in the first instance, who was usually able to redress them with the help of the Labour Officer, if necessary. In case of his decision being not acceptable, the aggrieved party could go to the General Manager whose

decision was final. In some cases, the complaint, first of all, was taken to the Labour or Welfare Officer of the unit, and in the absence of a satisfactory decision by him, to the Works Manager. Grievances of the workers of Regional Depots of the State Transport Corporations could be taken even up to the level of the Chairman of the Corporation. In small units, where there was no prescribed procedure, it was found that the complaints were generally made direct to the proprietor of the concern whose decision was binding.

7·9. Workers' Participation in Management—

The present Survey shows that none of the motor vehicle factories in the country had introduced any scheme for associating workers with the management.

CHAPTER VIII

LABOUR COST

Information pertaining to labour cost was collected from sampled establishments during the course of the present Survey, in respect of the employees covered under the Factories Act and receiving less than Rs. 400/- per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry pertaining to labour cost was modelled on the lines of the Study of Labour Costs in the European Industry, made by the International Labour Office in 1956, with such modifications as were considered necessary in the light of conditions in India. For instance, in view of the fact that in India wages are paid on the basis of days instead of hours, data were collected in respect of man-days instead of man-hours. Similarly, it was found in the course of the pilot enquiry, that except for a very few establishments, separate records of premium payments made for leave or holidays, or for days not worked, were not maintained and hence these were dropped as separate items and recorded under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above, or to elicit separate information on some of the items on which employers have to incur expenses under labour laws in force in the country, e.g., lay-off, washing facilities, retrenchment compensation, etc.

As mentioned earlier, the Survey was launched in July, 1961 and completed in August, 1962. With a view to maintaining comparability of data and ensuring uniformity, it was intended to collect information, as far as possible for the 12 months preceding the specified date i.e., for July, 1960 to June, 1961. If, however, it was not feasible to collect information for these 12 months, then the field staff was asked to collect the data for the financial year of the establishment. The available data show that it was possible to collect information from most of the sampled establishments for the period July, 1960 to June, 1961. The data collected may, therefore, be taken to refer to the year 1960-61.

It may also be mentioned here that with a view to forming a better estimate of labour cost, salaries and allowances, etc., of those persons who were employed in connection with any welfare item, amenity, etc., even though they were covered under the Factories Act and were receiving less than Rs. 400 per month, were not included in the general heads "Wages", "Bonuses" and "Other Cash Payments" along with the similar amounts paid to workers who came within the scope of the Study. Expenses incurred in connection with such persons were recorded against the item for which they were employed. Similarly, the man-days worked by such persons were also excluded.

8.1. *Labour Cost Per Man-day Worked—*

Data in respect of man-days worked and the corresponding wages and other earnings of workers were collected during the course of the Survey as also the expenditure incurred by employers on various welfare and security

measures, subsidy services, etc., representing the cost incurred by them on labour. Based on the above, the average labour cost per man-day has been worked out and is given in Statement 8.1.

STATEMENT 8.1

Estimated Labour Cost per Man-day Worked in Motor Vehicle Factories

(July, 1960 to June, 1961)

(In Rupees)

Centre								Labour Cost
(1)								(2)
1. Madras	..	..	..	..	..	..	..	7.28
2. Maharashtra	..	..	..	..	..	..	..	7.76
3. West Bengal	..	..	..	..	..	..	..	7.40
4. Residual	..	..	..	..	..	..	..	4.76
5. ALL-INDIA	..	..	..	..	..	..	..	6.38

The overall labour cost per man-day in the Motor Vehicle Industry was estimated at Rs. 6.38. As Statement 8.1 shows, the burden of the cost was the highest in Maharashtra (Rs. 7.76) and the least in the Residual Group of factories (Rs. 4.76).

8.2. *Components of Labour Cost—*

The major element of labour cost was wages. The cost for employers per day on account of other payments to the employees and expenditure on welfare and security measures, etc., constituted about 20.8 per cent. of the total labour cost. An account of the various components of labour cost can be had from Statement 8.2.

8.2.1. *Wages—*

This component comprised basic wages and dearness allowance, incentive or production bonus and attendance bonus received by employees.

It was desired by the Bureau to collect data under this head in respect of the man days worked alone, but in the course of the pilot enquiry it was found that most of the employers did not maintain separate records of payments made for the days actually worked, and for leave and holiday periods. Consequently, the amount of basic wages and dearness allowance recorded included the sum paid for the days worked as well as not worked but paid.

It will be noticed from Statement 8.2 that wages constituted the bulk, i.e., more than 79 per cent. of labour cost in the Motor Vehicle Industry. This proportion was the highest in West Bengal (about 85.7%) and the lowest in Madras (65.1%). In the Residual Group and Maharashtra, wages formed about 84.5 and 80.5 per cent. of the labour cost respectively.

Statement 8.3 gives the break-up of the wage cost into the various sub-groups, viz., basic earnings, incentive or production bonus and attendance bonus.

STATEMENT 8.2

Estimated Cost per Man-day Worked by Main Components in the Motor Vehicle Industry

(July, 1960 to June, 1961)

(In Rupees)

Centre	Wages	Premium Pay for overtime and late shifts	Bonuses	Other cash payments	Payments in kind	Social Security Contributions		Subsidies	Cost of running welfare centres	Direct benefits	Other payments	Others (specify)	Total
						Obl- igatory	Non-obli- gatory						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1. Madras ..	4.74 (65.11)	0.42 (5.77)	0.91 (12.50)	0.10 (1.37)	0.13 (1.79)	0.41 (5.63)	0.01 (0.14)	0.29 (3.98)	—	*	0.25 (3.43)	0.02 (0.28)	7.28 (100.00)
2. Maharashtra	6.25 (80.54)	0.01 (0.13)	0.66 (8.51)	0.05 (0.64)	0.09 (1.16)	0.38 (4.90)	*	0.27 (3.48)	*	*	0.04 (0.51)	0.01 (0.13)	7.76 (100.007)
3. West Bengal	6.34 (85.68)	0.14 (1.89)	0.16 (2.16)	0.04 (0.54)	*	0.46 (6.22)	0.01 (0.13)	0.15 (2.03)	—	*	0.03 (0.40)	0.07 (0.95)	7.40 (100.00)
4. Residual ..	4.02 (84.46)	0.03 (0.63)	0.14 (2.94)	0.18 (3.78)	*	0.16 (3.36)	*	0.15 (3.15)	—	*	0.04 (0.84)	0.04 (0.84)	4.78 (100.00)
5. ALL-INDIA	5.05 (79.15)	0.12 (1.88)	0.41 (6.43)	0.11 (1.72)	0.05 (0.78)	0.31 (4.86)	0.01 (0.16)	0.20 (3.14)	*	*	0.08 (1.25)	0.04 (0.63)	6.38 (100.00)

*Less than Re. 0.005.

Note:—Figures within brackets are percentages to total.

It is evident that almost the entire amount on wage cost was spent in the form of basic wages and dearness allowance or consolidated wages alone. Payments made in the form of incentive bonus and attendance bonus were insignificant.

STATEMENT 8·3

Estimated Break-up of 'Wages Cost' by Components in the Motor Vehicle Industry
(July, 1960 to June, 1961)

(In Rupees)

Centre		Basic Wage and Dearness Allowance (or Consoli- dated Wages)	Incentive/ Production Bonus	Attendance Bonus	Total
(1)		(2)	(3)	(4)	(5)
1. Madras	.. ..	4·74 (100·00)	—	*	4·74 (100·00)
2. Maharashtra	.. ..	6·23 (99·68)	—	0·02 (0·32)	6·25 (100·00)
3. West Bengal	.. ..	6·17 (97·32)	0·17 (2·68)	—	6·34 (100·00)
4. Residui	.. ..	4·06 (99·50)	*	0·02 (0·50)	4·02 (100·00)
5. ALL-INDIA	.. ..	5·01 (99·21)	0·03 (0·59)	0·01 (0·20)	5·05 (100·00)

*Less than Re. 0·005.

Note—Figures within brackets are percentages.

8·2·2. *Premium Pay for Overtime and Late Shifts—*

Under this group, the premium part of pay for overtime, late shifts and work on holidays was recorded. This was represented by an amount received by the workers in addition to their normal pay. For instance, if a worker received one and half times his normal wages for overtime work, the extra amount paid to him, i.e., one-half, was recorded against this item. The normal wages were included under the group 'wages'.

It would be seen from Statement 8·2 that premium payment for overtime work and late shifts accounted for a very small proportion of the total labour cost per man-day worked.

8·2·3. *Bonuses—*

Payments made in respect of festival, year-end profit-sharing and any other bonus were recorded under this item. As shown in Statement 8·2, the combined cost in respect of all such bonuses amounted to Re. 0·41 per man-day worked or about 6·4 per cent. of the total labour cost in the Industry, as a whole.

Further break-up of such bonuses shows that the annual or year-end bonus constituted about 82·9 per cent. of the cost on account of bonus payments while festival bonus accounted for nearly 9·8 per cent. The rest of the bonus cost (i.e., about 7·3%) represented expenses on payment of profit sharing and other bonus like marriage bonus, half-yearly bonus, etc.

8·2·4. *Other Payments in Cash and Kind—*

Other payments in cash and kind were those which were made regularly such as house rent allowance, transport allowance, free tea to staff, etc., or irregularly, like washing allowance, dress allowance, etc. Figures in Statement 8·2 show that these payments formed only a small proportion of the total labour cost per man-day worked. Such payments were also being made in all the four Centres of the Industry.

STATEMENT 8.4

Estimated Cost of Social Security Contributions per Man-day Worked in the Motor Vehicle Industry
(July, 1960 to June, 1961)

(In Rupees)

Centre	Obligatory										Non-obligatory	Total for obligatory and non-obligatory	Percentage of Social Security Contributions to the total Labour Cost
	Provi- dent Fund	R-trench- ment Compen- sation	Compen- sation for lay-off	Emple- ment Insurance Contri- bution	State Emple- ment Injury eases	Compensation for Occupi- tional dis- eases	Mater- nity benefits allowance	Depen- dents	Others	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1. Madras ..	0.33 (80.49)	—	—	0.05 (12.19)	0.01 (2.44)	—	—	—	0.02 (4.88)	0.41 (100.00)	0.01	0.42	5.77
2. Maharashtra (73.68)	0.28 (73.68)	—	—	0.08 (21.05)	*	—	—	—	0.02 (5.27)	0.38 (100.00)	*	0.38	4.90
3. West Bengal (78.26)	0.36 (78.26)	0.01 (2.17)	*	0.05 (10.87)	0.04 (8.70)	—	—	—	*	0.46 (100.00)	0.01	0.47	6.35
4. Residual .. (81.25)	0.13 (81.25)	*	—	0.02 (12.50)	*	—	—	—	0.01 (6.25)	0.16 (100.00)	*	0.16	3.36
5. ALL-INDIA .. (77.42)	0.24 (77.42)	*	*	0.05 (16.13)	0.01 (3.23)	—	—	—	0.01 (3.22)	0.31 (100.00)	0.01	0.32	5.02

*Less than Re. 0.005.

Note—Figures within brackets are percentages.

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8·2·5. *Social Security Contributions—*

Information in respect of this component of labour cost was collected under two heads : (a) obligatory, i.e., those expenses which the employers were required to incur in compliance with certain labour laws, and (b) non-obligatory, i.e., those social security contributions which the employers were making on a voluntary basis without any legal compulsion. The Survey results show that the expenses on the various social security contributions amounted to Re. 0·32 or nearly 5·0 per cent. of the total labour cost per man-day worked, thus being next in importance only to 'wages' and 'bonuses' groups. Details about the labour cost in respect of various items of social security contributions for which the data were collected are given in Statement 8·4.

It will be seen from Statement 8·4 that expenditure incurred by employers on obligatory social security contributions during the year under reference amounted to Re. 0·31 and on non obligatory contributions to only Re. 0·01. It was observed that about 77·4 per cent. of the labour cost on account of obligatory social security contributions was in respect of provident fund contributions alone. The next important item was Employees' State Insurance Contributions which accounted for about 16·1 per cent. of the labour cost on obligatory social security contributions. The remaining 6·5 per cent. of the cost was attributable to expenses on workmen and retrenchment compensations lay-off, etc. No expenditure appears to have been incurred on compensation for occupational diseases, and maternity benefit during the reference period.

8·2·6. *Subsidies—*

Cost to employers for providing certain facilities and services to workers and their families was collected under this head. The facilities listed were Medical and Health Care, Canteens, Restaurants and other Food Services, Company Housing, Building Fund, Credit Unions and Other Financial Aid Services, Creches, Educational Services (e.g., Library, Reading Rooms, etc.), Recreational Services (Clubs, Sports, Theatres, Cinemas, etc.), Transport, Sanitation (at work places), Drinking Water Facilities, Vacation Houses, etc. The net amount spent, including depreciation but excluding any capital expenditure, was recorded. In the course of the pilot enquiry, it was noticed that in most of the cases, employers either did not maintain any records separately for the above-mentioned items or expenses related not only to persons falling within the scope of the Study but also to others. Hence, the field staff were asked to obtain estimates, wherever such statistics were not available separately for the above mentioned items, and/or for the employees covered by the Study only. In the latter case, estimates were made on the basis of the proportion that the employees coming under the scope of the Study formed to the total employees. Statement 8·5 gives details in respect of the cost on subsidies per man-day worked as revealed by the data collected.

The cost on subsidies amounted to Re. 0·20 per man-day worked or about 3·1 per cent. of the total labour cost. As would be seen from Statement 8·5, the expenses incurred by employers on canteens, medical and health care, sanitation and transport accounted for 20 per cent. each of the labour cost on subsidies. The remaining 20 per cent. of the cost on subsidies was distributed amongst expenses on such items as company housing, education services, recreational services, drinking water facilities, etc. No expenditure was incurred on building fund, credit union and creches.

STATEMENT 8.5

Estimated Cost of Subsidies per Man-day Worked in the Motor Vehicle Industry
(July, 1960 to June, 1961)

Centre	(In Rupees)														
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Medical and Health Care	Canteen	Restaurant and other Food Services	Company Housing	Cabages	Building Funds	Recreational Services	Transport	Sanitation	Drinking Water	Educational Services	Others	Total	Percentage of Subsidies to total Labour Costs
1. Madras ..		0.09 (31.03)	0.09 (31.03)	—	—	—	—	0.01 (3.45)	0.03 (10.35)	0.03 (10.34)	0.01 (3.45)	0.01 (3.45)	*	0.02 (6.90)	0.29 (100.00)
2. Maharashtra		0.03 (11.11)	0.10 (37.04)	—	0.01 (3.70)	—	—	0.01 (3.70)	0.02 (7.41)	0.03 (29.63)	0.01 (3.71)	*	—	0.01 (3.70)	0.27 (100.00)
3. West Bengal		0.04 (26.67)	0.01 (6.66)	—	*	—	—	0.01 (6.67)	—	0.05 (33.33)	*	0.03 (20.00)	—	0.01 (6.67)	0.15 (100.00)
4. Residual ..		0.01 (6.67)	*	*	0.01 (6.67)	—	—	0.01 (6.66)	0.07 (46.66)	0.03 (20.00)	0.01 (6.67)	*	*	0.01 (6.67)	0.15 (100.00)
5. ALL-INDIA		0.04 (20.00)	0.04 (20.00)	*	0.01 (5.00)	—	—	0.01 (5.00)	0.04 (20.00)	0.04 (20.00)	*	0.01 (5.00)	—	0.01 (5.00)	0.20 (100.00)

*Less than Re. 0.005.

Note:—Figures within brackets are percentages.

CHAPTER IX

SUMMARY OF CONCLUSIONS

The Manufacture and Repair of Motor Vehicles Industry is of comparatively recent origin in our country. Born in 1928 it was only in the early 1940 that the Industry showed signs of growth and expansion. Since Independence, there has been a steady increase in the demand for cars and trucks leading to a rapid development of this Industry. In 1951, the year when the country embarked on planned economic development, there were only 763 registered factories employing 45,881 workers. In 1960, the number of factories had risen to 1,472 with an average daily employment of 93,907, thus recording a rise of nearly 92 and 105 per cent., respectively.

Data collected during the present Survey show that on 30th June, 1961 the estimated total number of persons employed in the Industry was nearly 90 thousand. Of these, nearly 85 per cent. were 'Production and Related Workers', 7 per cent. were 'Clerical and Related Personnel', about 5 per cent. were engaged on 'Watch and Ward and Other Services' only about 2 per cent. were 'Professional and Technical Staff' and the rest (nearly 1%) belonged to the Administrative and Managerial group.

Nearly the entire working force in the Industry consisted of men, the number of women and children being almost negligible. Contract labour, which was engaged in a few factories in Maharashtra and West Bengal, formed an insignificant proportion of the total workers employed. The predominant system of payment was by time and it covered about 93 per cent. of the workers in the Industry. About 78 per cent. of the workers were recruited directly by the managements. Of these, about 62 per cent. workers were recruited at the factory gate. Recruitment through intermediaries was negligible in the Industry.

Approximately 65 per cent. of the directly employed 'Production Workers' in the Industry were permanent, and nearly 20 per cent. temporary. It also employed some casual workers and apprentices. The Motor Vehicle Industry had a relatively stable working force as approximately 37 per cent. of the directly employed 'Production Workers' had put in more than 5 but less than 15 years' service, and nearly 6 per cent. had to their credit, a service of over 15 years.

The average absenteeism rate of 'Production Workers' in the Industry during the year ending June, 1961 was about 13.1 per cent. The monthly rates reflect the usual pattern of higher absences during summer months and festival period. There was not much of labour turnover in the Motor Vehicle Industry, the overall rates of accession and separation being only about 3.1 and 2.8, respectively. Training facilities were available in only about 38 per cent. of the units.

There has been no standardisation of wages in the Industry, on a country-wide basis. Barring factories in the States of Bihar and Mysore and the Union Territory of Delhi, where minimum wages had been fixed, in 1960, for some categories of workers, elsewhere the wage structure was found to have developed either on the basis of the prevailing rates of wages in the area or executive orders of the Govt., or bargaining between employers and workers. It is estimated that, since 1956, wage revisions affecting majority of workers took place in about 38 per cent. of the factories in the Industry and, in roughly half of these, the wages had been revised only once. It was also found that nearly 51 per cent. of the wage revisions were the results of executive orders of the Government. In about 19 per cent. of the cases, the employers had voluntarily revised the wages of their employees. Month was the predominant pay period in the Industry as about 95 per cent. of the workers were monthly-paid. The rest were either paid fortnightly or weekly.

The estimated average daily earnings of workers in the Motor Vehicle Industry were Rs. 5.65 in June, 1961. The lowest-paid 'Production Workers' in the Industry earned Rs. 3.29 per day while the average daily earnings of clerical and related workers and of those belonging to the group 'Watch and Ward and Other Services' were Rs. 7.50 and Rs. 3.61, respectively.

A break-up of earnings has revealed that basic wages constituted about 93 per cent. of the total earnings while production/incentive bonus accounted for nearly 4 per cent. The remaining 3 per cent. of earnings consisted of house rent allowance, overtime pay, etc.

About 76 per cent. of the factories in the Industry were working on a single shift a day, 19 per cent., two shifts and only 4 per cent., three shifts. Some of the factories were working during the night and, excepting a few in the R. & M. Group, all of them had a regular system of change-over of workers from one shift to another. While all the factories had reduced working hours for night shift workers, allowance for night shift working was being paid only in a few.

The daily and weekly hours of work were found to be not more than 8 and 48 respectively in all sampled establishments excepting one small factory in Madras and thus, they conformed to the limits proscribed under the Factories Act. However, in regard to reduced hours of work for children, employed in a few small factories, the provisions of law were being ignored.

Nearly 93 per cent. of the units were found to be granting annual leave to their employees in accordance with the provisions of the Factories Act. Of the rest, payment *in lieu* of leave was being made in a few. Data collected regarding the number of workers who availed of leave show that about 73 per cent. of them had enjoyed leave during the calendar year 1960. Nearly one-fourth of these took leave for a period of between 10 and 15 days, and about 17 per cent. remained on leave for over a month. The system of granting casual leave with pay was found to be in vogue in about 44 per cent. of the factories in the country. However, the days allowed and the categories of workers entitled for casual leave generally differed from one factory to another. About 45 per cent. of all units in the Industry were reported to be granting sick leave to their employees. The Survey has further shown the existence of a wide spread practice of granting national and/or festival holidays with pay in the

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Industry. It is estimated that this practice existed in nearly 92 per cent. of the factories. The number of holidays granted in a year ranged from up to 10 to over 16 days though a majority of factories (nearly 66%) allowed such holidays up to 10 days. Almost all the motor vehicle factories in the country were giving a weekly day of rest to their employees and in about 95 per cent. of them the same was with pay.

Drinking water facilities for employees existed in about 97 per cent. of the factories. The predominant arrangement was taps or earthen pitchers, the latter, mostly in small units. As many as about 86 per cent. of the factories were making some special arrangement for the supply of cool drinking water during summer, although only about 2 per cent. of the units were legally obliged to do so. About 6 per cent. of the factories were found having disregarded the provisions of law in respect of the situation of the drinking water point inasmuch as they were located within the prohibited distance from latrines and urinals. About 89 per cent. of the motor vehicle factories had made provisions for washing facilities and nearly 23 per cent. for bathing facilities. Although about 4 per cent. of the factories were required by law to provide canteens, not all of them had fulfilled their obligation. On the other hand, canteens were found existing in some of the units which were not legally bound to provide them. Thus, in all, about 14 per cent. of the factories had canteens. Nearly two-thirds of the canteens were being run by contractors and the rest by managements, or workers and managements jointly. Arrangements for the sale of meals, in addition to tea and snacks, existed in about 43 per cent. of the canteens. Most of the canteens were found to be selling articles at the market rate. Location and hygienic conditions of the canteens were, generally, good or satisfactory. Since none of the factories surveyed employed more than 50 women, the question of providing creche did not arise. Rest shelters had been provided in nearly 16 per cent. of the units, though only about 3 per cent. of the factories were statutorily obliged to do so, and one third of them had not respected the law.

While about 49 per cent. of the factories had provided facilities for recreation, educational facilities existed on a meagre scale. Only about 8 per cent. of the units had attached hospitals or dispensaries and only two out of the ten factories obliged to maintain ambulance rooms, had complied with the law. First-aid boxes were being kept in nearly 87 per cent. of the units in the Industry but, only half of them were under the charge of trained first-aiders. Only approximately 41 per cent. of the boxes were found to be containing all the prescribed items.

Nearly 19 per cent. of the motor vehicle factories in the country were providing housing accommodation, most of it in the shape of one-room tenements. The benefit was, however, not very extensive as only 7 per cent. of the total working force in the Industry had been housed. Accommodation was rent-free in about 59 per cent. of the units providing houses and partially rent-free in the remaining 41 per cent.

The security against the contingency of old age which the workers in the Motor Vehicle Industry enjoy, seems to be mostly in the shape of provident funds and about 63 per cent. of the units in the Industry had provident fund schemes. Most of the funds had been set up under the Employee's Provident

Fund Scheme framed by the Central Government under the Employees' Provident Funds Act, 1952. However, it was found during the Survey that nearly 31 per cent. of the factories providing this facility had their own provident fund schemes and it is estimated that nearly 63 per cent. of the workers in the Industry were members of various provident funds on June 30, 1961. Pension schemes were not common in the Industry, only about 5 per cent. of the units providing this benefit. No claims regarding maternity benefit had been made or paid during the year ending June, 1961. Gratuity was, however, being paid in nearly 28 per cent. of the motor vehicle factories in the country. Data collected in respect of the accidents show that during the year ending June, 1961, the accident rate in the Industry was about 87 per thousand workers employed. Nearly all the accidents were minor ones causing temporary disability.

Trade unionism in the Motor Vehicle Industry had not developed sufficiently well. It is estimated that only about 37 per cent. of the factories had trade unions and nearly 59 per cent. of the workers were members of these unions. Recognition to the unions had been accorded by the managements of nearly 89 per cent. of the factories having unions. The main activities of trade unions in this Industry were reported to be securing of claims of their members under the various labour Acts and arranging of relief for distressed members.

It is estimated that since 1956 and till the time of the Survey, only about one-fifth of the motor vehicle factories in the country had concluded collective agreements with their employees which related mostly to pay scales, bonus, dearness allowance, gratuity, leave and holidays, etc.

Of the units which were under a statutory obligation to frame Standing Orders, nearly 59 per cent. had complied with the law. Besides, some of the factories which were under no legal obligation, had also framed Standing Orders. Thus, it is estimated that at the time of the Survey, nearly 26 per cent. of all factories had framed Standing Orders.

Most of the motor vehicle factories in the country being small, only about 3 per cent. of them were required by law to appoint Labour/Welfare Officers, and of them, roughly nine-tenths had fulfilled their obligation. Actually however, such officers were found to have been appointed in about 16 per cent. of all factories in the Industry.

Of the factories under a legal obligation to constitute Works Committees, only nearly 41 per cent. had done so. In addition, however, a few other units, which were not legally obliged, had also set up such committees. Thus, the all-India percentage of motor vehicle factories having formed Works or Joint Committees was about 14. Very few factories in the country had constituted other committees like Production Committee, Welfare Committee, Sports and Safety Committees, etc.

Information collected regarding the system of settling grievances of the workers in the Industry shows that in roughly 33 per cent. of the units, a prescribed procedure for this purpose had been laid down. The general practice was that the aggrieved worker approached the Divisional Head or proprietor,

in small units, and made a written or oral complaint. As regards schemes for associating workers with the managements, no establishment was found having introduced the same.

Data relating to labour cost in respect of persons covered under the Factories Act and receiving less than Rs. 400 per month show that, during the year ending June, 1961, the labour cost in the Industry was Rs. 6·38 per man-day worked. Wages, i.e., basic wage, dearness allowance and incentive payments, constituted the main component of labour cost and accounted for nearly 79 per cent. of it. Bonuses and social security contributions accounted for about 6·4 and 5·0 per cent. of the total labour cost, respectively. Expenses falling under the group 'Subsidies' constituted about 3·1 per cent. of the total. The main items of expenditure under this head were canteens, sanitation, medical and health care and transport.

APPENDIX

A Brief Note on the Sample Design and the Method of Estimation Adopted

1. *Sample Design*—For the Survey of Labour Conditions, a multi-stage sampling procedure with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified, and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Establishments in an industry/regional stratum were arranged in a frequency distribution fashion with suitable class intervals and were divided into two size groups, large factories and small factories, on the basis of an optimum cut-off point derived for each industry. The optimum cut-off point was so derived that if all the establishments in the upper size group were included in the sample, the results obtained would yield an estimate of overall employment within 5 per cent. error at 95 per cent. confidence interval, and the sample size would be minimum. The optimum cut-off point varied from industry to industry. For the Motor Vehicle Industry it was chosen as 50 which was approximately equal to the average size of employment in the Industry. However, considering the limited resources available for the Survey of Labour Conditions and the practicability, etc., it was thought that a sample of 25 per cent. from the upper size group and $12\frac{1}{2}$ per cent. from the lower size group would yield reliable results. However, the experience of earlier Surveys had shown that due to (i) non-availability of very recent frame, (ii) closures, and (iii) units changing their line of production, considerable shrinkage had occurred to the desired sample size. Hence it was decided that for taking into account such closures etc., the required sample size should be increased to allow for the above mentioned shrinkage. Having thus increased the sample size, the units which were found to be closed or which had changed their line of production were simply ignored and no substitution for such cases was made.

The ultimate sampling units, namely, registered factories, mines or plantations within an industry/regional stratum, were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper size class and the rest in the lower size class. From these size groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample for this Industry was selected was the list of Registered Factories for the year 1959.

2. *Method of Estimation*—In the course of the Survey various characteristics were studied. Some of these were correlated with employment whereas there were others which were correlated not with employment but with the number of establishments. Consequently, two different methods were used for working out estimates.

For estimating the totals of those characteristics which are highly correlated with employment such as absenteeism, labour turnover, earnings, labour cost, etc., ratio of total employment was used as blowing up factor. For estimating the totals of those characteristics which are not correlated with employment such as, number of units providing certain welfare facilities, etc., ratio of units was used as blowing up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

In any stratum the estimate for the total of x-characteristics not correlated with employment is given by

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_L - N'_L}{n_L - n'_L} \sum_i X_{iL} \quad \dots (1)$$

The summation extending over all the sampled units surveyed in the stratum,

Where X = the estimated total of the x-characteristic for a particular stratum;

N_u and N_L = the number of units in the original population as featuring in the 1959 list, which was used as frame in the upper and lower size groups respectively of the stratum concerned;

N'_u and N'_L = the number of units which featured in the 1959 list but were not featuring in the latest available list nearest to the period of survey in the upper and lower size groups respectively of the stratum concerned;

n_u and n_L = the total number of units in the sample (from 1959 list) in the upper and lower size groups respectively of the stratum concerned;

n'_u and n'_L = the number of sampled units, which were found at the time of the survey to be closed or to have changed the line of production and hence left out in the upper and lower size groups respectively of the stratum concerned;

X_{iu} and X_{iL} = the total number of x-characteristic in the i th sample unit of the upper and lower size groups respectively of the stratum concerned.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formula for each one of the strata of the industry.

In any stratum the estimate for the y-characteristic correlated with employment is given by

$$Y = \frac{EN_u - N'_u}{En_u - n'_u} \sum_i Y_{iu} + \frac{EN_L - N'_L}{En_L - n'_L} \sum_i Y_{iL} \quad \dots (2)$$

The summation extending over all units in the Stratum

where Y = the estimated total of the y-characteristic for a particular stratum.

$EN_u - N'_u$ and $EN_L - N'_L$ = the total employment in 1959 in the $N_u - N'_u$ and $N_L - N'_L$ units respectively.

$En_u - n'_u$ and $En_L - n'_L$ = the total employment in 1959 in $n_u - n_L$ and $n_L - n'_L$ sampled units respectively.

Y_{iu} and Y_{iL} = the total number of Y-characteristic in the i th sample unit of the upper and lower size groups respectively of the stratum concerned.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formula for each one of the strata of an industry.

